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ABSTRACT

This study is a component of the New York State School Finance Law Study Project conducted by the New York State Education Department (SED). The tasks addressed are in the areas of district reorganization, supplying regional educational services, and the impact of existing Boards of Cooperative Educational Services (BOCES) aid on local districts. In chapter 2 a general conceptualization of the problem is developed that knits together the three tasks specified. In chapter 3 the historical developments are examined that led to the existing structure for delivering public educational services in New York State. Chapter 4 reviews the literature on economies of scale in education. The impact that BOCES and its aid has had on district reorganization, equalization, and equality of educational opportunity is the focus of chapter 5. In chapter 6 the recommendations of the consultants are reported concerning the organization, finance, and governance of regional services and policies concerning local district organization. Chapter 7 presents the recommendations specifically related to the planning, organization, control, and financing of educational services for children with handicapping conditions and for occupational education. (Author/ML F)

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A STUDY OF REGIONAL SERVICES AND SCHOOL DISTRICT ORGANIZATION IN NEW YORK STATE

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RELATED OCCASIONAL PAPERS

No. 28	Occupational Education in New York State: The Transition from Vocational to Career Education by Eugene A. Nelson	Published Separately
No. 20	Handicapped Programs in New York State by Patricia C. Good	Published Separately

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Summary of the Study and Recommendations

This study is a component of the New York State School Finance Law Study Project, Section 842, being conducted by the New York State Education Department (SED). Its purposes lie primarily within the Project's Task 6, a study of Regional Services and Task 7, School District Organization.

> Goal of Task 6: The purpose of this task is to study the present and possible alternative rationales for providing regional services and, in keeping with the "Regents 1976 Position Paper on Educational Services, Structure, Governance, and Organization," to recommend provisions for stimulating and aiding such services in the future.
>
> Goal of Task 7: The purpose of this task is to review past and present New York State policies on school district organization and reorganization and to suggest any changes that appear feasible. (From the Study Proposal).

This study also analyzes under Task 1, A Study of Existing Aid Distributions, the impact of aid for Boards of Cooperative Educational Services (BOCES)[1] on local districts.

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[1] Throughout this monograph, "BOCES" is used as an expression of both the singular and the plural and refers to the agency in its totality. When reference is made to the governing board, the somewhat redundant term "BOCES board" is used.

Study Perspective

In reality, the tasks are aspects of one basic problem - designing an optimum structure for the delivery of educational services in New York State. A unitary concept is consistent with the provision of the State Constitution which authorizes the establishment of a state-wide public school system:

> The legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated. (Article XI, Section 1)

State policy governance which identifies the local school district as the basic educational unit, and distinguishes it from a regional unit such as BOCES, is itself a barrier to analysis. When one is forced to think in terms of either school district or BOCES responsibility, one is led to decide that one service belongs to BOCES, or another belongs to a school district. In reality, however, the population and resources in any area are adequate to support various sized schools and ranges of programs. In response to the implicit needs of the community, a <u>network</u> of educational facilities emerges. The factors which determine whether the facilities in the network are best operated by a BOCES or a school district or the State Education Department, itself, are not optimally determined by the governance criteria, but by the operating conditions of the local area.

The relationship between school district and BOCES is better defined in "state of nature" by whether the students and resources in a given area can best be consolidated at a district or at a regional level. But the essentially different characteristics of both agencies also play a role. Apart from demographic considerations, the addition of occupational education courses, for example, to the existing program of an academic high school has far greater implications than the similar addition at a specialized occupational education center of BOCES. Note that the effect of district consolidation is to create the possibility of a comprehensive high school, and when the size of such a school is considered in relation to such services as special education or occupational education, the comprehensive high school must be large indeed. On the other hand, the BOCES unit is not under the constraints which shape traditional school environments. It can create specialized facilities to respond flexibly to special needs, perhaps at less cost.

From a state of nature perspective, the dismissal of school district and BOCES distinctions seems justified. From the perspective of legislation and SED policy, of course, ignoring these distinctions is not possible. Further consolidations of school districts is not the only alternative for consolidating students and resources to attain greater ranges of educational

opportunities. The creation of a BOCES service at a regional level can achieve the same effect.

Clearly, an overriding factor in nature is the inverse relationship between school district size and the need for BOCES. The larger the school district size and hence its capability to support a wider variety of services, the less the need for BOCES services. In the realities of the education process, however, the net effect of either creating larger school districts or intermediate BOCES is to add a facility or educational resource to the network of facilities available to students within a geographical region.

This analysis shifts the perspective of the problem from that of defining the role of institutions, such as school districts and BOCES, to considering their function in networks of educational resources available in highly diverse communities. The analysis also takes into account certain developing trends. As a shift from institutions to community provision of education occurs, there will also be a shift from viewing schooling as an array of programs, to viewing it as a capability to respond to highly diverse needs of individual people living under the quite different conditions found across New York State. Specifically, comparisons need to be made between the service potential of educational systems when they follow the strategy of expanding

the range of programs offered, as opposed to the capability they might achieve under an emerging technology of individualization.

The New York State education network has three service levels with authority for policy-making presently concentrated at two of those levels. The primary level of authority is the state as represented by the legislature, the executive, the Regents, the Commissioner, and SED. This level is charged with establishing basic policy for the system and overseeing and coordinating its components. Local school districts were created by the legislature early in the nineteenth century. They have recently been described by the Regents as "the basic operating units and one level of authority in the State's system of education." (SED, May 1976, p. 13). The most recent school governance invention of the state was BOCES in 1948.

Within the network concept, it is perfectly reasonable for the state to delegate or decentralize those functions which can more effectively and more efficiently be handled at the regional or local level. By the same token, it is also reasonable for local districts to do cooperatively that which they cannot do well independently. The procedures for assigning functions should permit flexibility because an optimal allocation will vary among regions according to demographic and geographic

characteristics and over time according to definitions of standards and technological developments.

The recommendations of this study propose planning procedures for assigning functions among the three levels and policies to guide the organization of local districts and BOCES. Corresponding changes are proposed for the governance of BOCES and for financing and maintaining school services which tend to be provided at a multi-district level, namely: programs for children with handicapping conditions and occupational education.

Among the objectives of these recommendations are:

- to remove legal distinctions among school districts;
- to make the services and opportunities provided by BOCES available to all elementary and secondary pupils in all school districts;
- to redefine BOCES service areas to represent socially and economically integral regions;
- to neutralize economic considerations in planning the delivery of educational services;
- to deliver educational services to clients at the lowest structural level which can effectively do so;
- to facilitate contemplative management of educational enterprises through effective use of planning.

Two premises have guided the formulation of these recommendations:

- social, economic and technical conditions as they pertain to education will continue to change in the future as they have in the past: and
- the state governance structure for education should be flexible enough to adjust to those changes in a fashion which minimizes social trauma.

Recommendations

1.00 District Organization

1.10 Provisions in the New York State school financing scheme which encourage smallness for economic rather than educational reasons should be eliminated.

1.11 The general aid formula needs to be placed on a truly equalizing basis.

1.12 All state aid save-harmless provisions need to be phased out.

1.13 Size corrections should not be included as part of a general aid formula.

1.20 Legal distinctions among school districts should be eliminated.

1.21 Districts not operating a full elementary and secondary program (grades K-12) should be consolidated with, or into, districts which do. Included in this recommendation are central high school districts and their feeding common school districts.

1.22 K-12 districts with enrollments in excess of 1500 pupils should be made independent superintendencies pro forma.

1.23 K-12 districts with enrollments under 1500 pupils should be permitted to petition for independent superintendency status. In its petition, a district should provide documentation showing that its programs satisfy state standards, that its costs are not inflated by unavoidable diseconomies because of size, and that its boundaries encompass a coherent community (socially and economically distinct from any school district with which it would likely be consolidated). A recommendation on the petition should be made by its district superintendent with final decision reserved to the Commissioner.

1.30 The state should make a major research and development commitment to design, pilot and disseminate afford-

able instructional delivery systems capable of individualizing instruction and flexibility in response to diverse school district circumstances.

2.00 The Role and Governance of Boards of Cooperative Educational Services

2.10 All districts in New York State should be brought into a BOCES intermediate unit. Appropriate restructuring of BOCES governance and financing needs to take place to make BOCES membership economically and administratively fair to all districts.

2.11 The sixteen districts which at present are eligible to become members of BOCES but are not, should be incorporated into the BOCES serving their immediate area.

2.12 Yonkers should be incorporated into the Westchester County BOCES and Syracuse into the Onondaga BOCES. The two Monroe County BOCES should be consolidated with Rochester becoming one of its components. The two Erie County BOCES should be consolidated with Buffalo becoming one of its components.

2.13 The New York City Board of Education should, in addition to the powers it already has, be extended all powers of a Board of Cooperative Educational Services and the City's Chancellor should be granted all the powers of a district superintendent in addition to those the office now possesses.

2.14 The alignment of BOCES in the metropolitan New York City area should be studied for possibilities of reducing the number. Some merger of rural BOCES may be desirable also, nine are substantially smaller than the 20,000 pupil service population frequently specified as a desirable minimum.

2.15 The state should bear financial responsibility for any additional administrative expenses essential to achieving BOCES status for the first three years of the new organizational status.

2.20 Modifications in the distribution of voting power among

school districts to elect BOCES boards and to approve administrative budgets need to be made recognizing variation in size of districts and dependence upon BOCES services. It is recommended that each component district (except in the case of New York City) be granted one vote for each 1000 children (or major fraction thereof) regularly enrolled in the district, plus a balancing number of votes to be determined by the proportion of the BOCES budget carried by the district. The latter would be computed by multiplying the ratio of the district's BOCES charge for the previous year to the total BOCES charges of all component districts times the total enrollment in thousands of the BOCES' component school districts. Such calculation may be expressed by the following formula:

$$V_d = \frac{E_d}{1000} + \left(\frac{C_d}{C_b} \times \frac{E_b}{1000} \right)$$

where:

V_d = Number of districts votes in BOCES elections

E_d = District enrollment to nearest 1000

C_d = District BOCES charges for previous year

C_b = Total BOCES charges to all component districts for previous year

E_b = Total enrollment in BOCES component districts to nearest 1000

2.21 Alternatively, the admittedly simplier voting procedures which are in force at present could be continued with the <u>unanimous</u> consent of component districts.

2.22 The same voting scheme as used for electing the governing board should be extended to approval of the administrative budget as redefined in the next section. In the event the BOCES board and component districts cannot agree on an administrative budget, such should be determined by the Commissioner after reviewing the evidence presented by interested parties.

2.30 The educational services budget should be determined solely by contracts. Where state aid is not sought, there should be no limit placed upon the kinds of

educational services offered by BOCES to component districts other than those which apply to school districts in general. Commissioner's approval should not be required for such contracts.

2.40 BOCES should be granted the same authority to enter into contractual arrangements with other agencies as has been extended to school districts.

2.50 All formal inter-district arrangements should be made through BOCES.

2.60 State Education Department supervisory activities should be formally attached to BOCES under the direction of the district superintendent. When such services encompass more than a single BOCES, the service should be formally attached to one BOCES and coordinated through a committee of the district superintendents involved (a Joint Management Team).

3.00 Financing BOCES

3.10 The salaries of district superintendents and other direct payments to be cited below should not be specified by statute, but should be included in the SED budget. The amount should be negotiated between SED and each BOCES based on manpower allocation studies and the prevailing state salary schedule. It needs to be recognized that not only the district superintendent, but also his associate and assistant superintendents and their staffs, acting in his behalf, provide direct service to SED and for SED to component districts.

3.11 Accounts 1240 and 1250 of the Standard Code of Accounts for BOCES should be reserved for state functions performed by the superintendent and his assistants, and new separate accounts, perhaps 1245 and 1260, should be established for assignment of costs related to the administration of BOCES as a shared service agency.

3.12 Similar distinctions should be maintained in account 1480, planning.

3.13 Costs of the restructured accounts 1240 and 1250 should be assumed by the state, and reimbursement made directly to BOCES.

3.14 Accounting procedures should continue to allocate administrative costs wherever possible to the shared service being supported. Debt service, payments to the Dormatory Authority and payments on lease/purchase contracts, should continue to be treated as an administrative expense, but other items presently included in account 1900 (rent, leases, etc.), should be distributed proprotionally among shared services and other budget categories including the SED and general administrative categories.

3.20 Allocation of general administrative costs to component districts should reflect the benefits derived from BOCES services. Such benefits should be estimated by averaging the ratios of district enrollment to total BOCES enrollment and of district BOCES charges to total BOCES charges as expressed in the formula:

$$A_d = 1/2 \left(\frac{E_d}{E_b} + \frac{C_d}{C_b} \right) A_b$$

where:

A_d = District's charges for administrative budget (redefined)

E_d = District enrollment to nearest 1000

E_b = Total enrollment in BOCES component districts to nearest 1000

C_d = District BOCES charges for previous year

C_b = Total BOCES charges to all component districts for previous year

A_b = BOCES administrative budget (redefined)

3.21 General Administrative costs should be aided by the state according to the district's aid ratio computed as at present. Aid based on tax rate (millage) should be discontinued.

3.30 The state should adopt categorical aid formulas which treat all districts similarly for meeting its share of program costs for handicapped children and occupational education. BOCES aid should no longer be available for these programs although BOCES should continue to oper-

ate programs under contract to local districts where they can do so more efficiently and effectively.

3.40 Shared services provided through BOCES including itinerant services, general instruction, instructional support, and other services including non-instructional should continue to qualify for shared services aid under the limitations imposed by the CO-SER review of the SED with important modifications.

3.41 Shared services aid should be paid on the basis of a district's aid ratio with the minimum aid ratio being set at zero. Shared services aid based on tax rate (millage) should be discontinued.

3.42 Shared services aid should be paid on the total cost of an approved program. Present salary limitations should be removed.

3.43 SED should have authority to approve programs for aid up to five years when requested by a BOCES.

3.50 In addition to the procedures currently available for building and purchasing facilities, BOCES should be permitted to enter into lease purchase agreements with private contractors and to arrange financing through private lending institutions. The additional options would be subject to the condition that arrangements be at least as favorable as those possible through the Dormatory Authority. Whatever the means of financing, a project cost allowance should be set by SED and component districts should be aided for their share of those costs as they are for capital debt incurred by them directly.

3.51 The required referendum of voters in a BOCES service area to authorize multi-year borrowing or contracts should be eliminated. In its place, the BOCES board should be authorized to enter into such agreements following appropriate public notice and hearings providing that a referendum is not called. A referendum could be called by petitions signed by 5% of the total number of voters voting in the most recent school election of component districts or by resolution of the boards of 1/3 of the component districts. This substitute procedure is similar to that governing

borrowing by towns. A BOCES should not be able to enter into a multi-year agreement if the vote of the referendum were unfavorable (less than a majority).

4.00 Planning

4.10 A task force should be established at the state level to conceptualize a comprehensive planning framework for integrating the planning segments of the entire educational system. The need for educational resources, whether organized on the basis of standardized programs or on the basis of a flexible system of individualization should be connected to the assessment of student needs to be met. At the present time, each planning effort starts from highly diverse assumptions whi h makes coordination difficult.

4.11 The task force should be broadly representative of the decision-making structure for education and should reflect the importance placed by the state on the planning process. It should be chaired by the Deputy Commissioner for Elementary and Secondary Education. Other members should represent the viewpoints of the executive and legislative branches of state government, SED, school boards, chief school officers and other district administrators, teachers and the public (including parents and students).

4.20 To assure comprehensiveness, the responsibility for planning programs which tend to be shared even in part should be placed at the highest level delivering services. Thus, planning for all of occupational education should be coordinated by BOCES even though some occupational courses are typically delivered at the local level, e.g., business education. Similarly, BOCES should coordinate planning for services rendered to handicapped children. SED should coordinate planning for computer services, educational television and other activities that extend beyond a given region. Planning for traditional instructional programs should remain with local districts; however, they would be well advised to contract for expert planning assistance - possibly through BOCES.

4.30 Planning for occupational education and for programs for handicapped children would be aided according to a district's excess cost aid ratio described below.

Other planning activities carried on through BOCES should qualify for shared services aid.

5.00 Programs for Children with Handicapping Conditions

5.10 Each BOCES board (as restructured above under section 2.00) should be required to appoint a Regional Advisory Committee to Plan and Coordinate Educational Services for Children with Handicapping Conditions (RCHC). The purpose of this committee is to serve as a public advocate for handicapped children. It would advise the BOCES board in the development of a regional plan for delivering educational services to handicapped children and would regularly evaluate the implementation of the plan. The RCHC should be composed of professionals who work with handicapped children (1/2), parents of handdicapped children (1/4) and physically handicapped adults (1/4). All persons on the committee should be be reimbursed for expenses incurred. Parents of handicapped children, handicapped adults, and professionals not serving in an official capacity (i.e., an employee of a related state agency, school district or BOCES), should be granted a stipend for services performed. In sparsely populated areas, two or more BOCES should join together to form one committee.

5.20 A five year plan specifying the total delivery system of services for handicapped children at the BOCES and district levels should be developed for each BOCES region under the general supervision of the BOCES board. The plan should set standards of service and provide a mechanism for assuring the maintenance of those standards.

5.21 A public hearing, recommendation by the RCHC, and acceptance by the BOCES board should be required before submitting the plan to the Commissioner for final approval.

5.22 Provisions should be made in the regional plan for the screening of handicapped children at the district level as required by law and for maintaining a registry at the BOCES level. SED should establish guidelines for the BOCES registries so that they may be coordinated into a statewide registry.

5.23 Provisions should be made in the regional plan for a diagnostic and prescriptive team at the BOCES

level for every 20,000 pupils. These teams would initially examine all children referred to them and conduct the required three-year evaluations of the identified handicapped. To assure the rights of each child, the placement recommendations of the teams would be subject to review by the appropriate district committee.

5.24 The district committees for the handicapped would be constituted as at present. Their purpose is to serve as a public educate of handicapped children at the district level. They would advise the districts in preparing their components of the regional plan. In addition to reviewing the placement recommendations of the RCHC, they would conduct the required annual status review of each child.

5.30 In the presence of an effective quality control system, including the state's well defined criteria for identifying handicapped pupils and for evaluating programs, and the carefully conceived regional plans and monitoring structures, it is recommended that all services rendered in accordance with this system be aided on an excess cost basis.

5.31 The payment of state aid for handicapped children described below should be limited to those services included in the final approved regional plan. Any deviation would involve the formal filing of an amendment which would have to pass through the same approval process as did the regional plan.

5.32 Separate accounts will have to be maintained for expenses of programs for children with handicapping conditions. For children who are mainstreamed, the approved operating expense of regular classroom instruction will have to be prorated and charged against the separate account.

5.33 Excess cost should be defined as the difference between the approved operating expenditures for pupils with handicapping conditions less offsetting revenues. Offsetting revenues would include federal funds, the prorated sum of local property and non-property tax levies, and the state general operating aid.

$$EC = AOE_{hc} - F - \left(\frac{LTL}{ADM_d} + \frac{GOA}{ADM_d}\right) ADM_{hc}$$

EC = excess cost
AOE = approved operating expenses
F = federal funds
LTL = sum of local property and non-property tax levies
GOA = state general operating aid
ADM = average daily membership
hc = handicapped pupils
d = total district

Total approved operating expenditures for pupils with handicapping conditions should include expenditures made by the district for approved programs which it operated or for services purchased from approved programs operated by other school districts, BOCES, or private facilities. For school districts and BOCES, "approved program" means one specified in the regional plan. For private facilities, it means one approved by the Commissioner.

5.34 Handicapped children would receive no special weighting in the general aid formula. To compute the excess cost aid, the excess cost would be multiplied by a district's excess cost aid ratio. The ratio would be determined by dividing the actual valuation per pupil in resident average daily membership of the school district by the state average actual valuation per pupil in resident weighted average daily membership and multiplying the quotent by .15 and subtracting the result from 1.00.

$$AR_x = 1.00 - .15 \frac{FV_d/RADM_d}{FV_s/RADM_s}$$

AR_x = excess cost aid ratio
FV = actual property valuation
RADM = average daily membership
d = district
s = state

This formula is the same as that in article 89 of the Education Law, as amended by Chapter 853 of the Laws and 1976, and the same as that proposed by the Regents in extending excess cost aid to programs for the severely handicapped operated by school districts

and BOCES (except that average daily membership has been substituted for agerage daily attendance). The existing statute provides for a minimum aid ratio of fifty percent. No such minimum is a part of this recommendation.

5.35 To maintain parity between programs offered by school districts and BOCES with those offered by private schools, private schools receiving public monies should be subject to the same regular audits as are school districts and BOCES to determine whether their charges include only approved expenditures. Private schools should also be required to submit an annual financial statement, prepared by an independent accounting firm, detailing revenues and expenditures.

5.36 Costs of programs and services provided directly to school districts by BOCES should be charged to the school district on the basis specified in the contract between BOCES and the district. Expenses for the RCHC and the supporting staff, for developing a regional plan for delivering educational services to the handicapped, for the diagnostic and prescriptive teams, and for the registry, should be prorated among component districts according to the formula presented above in section 3.20 for General Administration of Shared Services costs. Total charges would then be included in the district's approved operating expenditures for children with handicapping conditions and aided according to the district's excess cost aid ratio described in section 5.34. These costs would be excluded from a district's approved operating expenditures for general aid.

6.00 Occupational Education

6.10 The state should carefully review the list of districts authorized to offer occupational programs. With the probable exception of the Big Five Cities, approval should be continued only for BOCES. Where approval is withdrawn, existing facilities and staff should be integrated into the BOCES program.

6.11 To advise in the planning process and in its implementation, an Occupational Advisory Council (OAC) should be appointed by the BOCES (or other authorized) board as at present.

6.12 The regional plan should specify the total delivery system of services for occupational education in the region and its component districts for a period of five years. The regional plan should also set standards of services and provide a mechanism for assuring the maintenance of those standards.

6.13 In metropolitan areas where more than one authorized agency continues to exist, the state should insist on a carefully coordinated planning effort and encourage the filing of a single plan.

6.14 A public hearing, recommendation by the OAC, and approved by the authorized board (or boards) should be required before submitting the plan to the Commissioner for final approval.

6.20 There should be a uniform procedure for financing occupational education in New York State. In the absence of program standards (as have been established for children with handicapping conditions) and because occupational education is an elective within the present schooling framework, a pure excess cost aid scheme cannot be supported. However, with a carefully formulated regional plan and monitoring system, a modified excess cost plan is recommended.

6.21 The payment of state aid for pupils enrolled in occupational programs would be limited to only those programs included in the finally approved regional plan. Any deviation would involve the formal filing of an amendment which would have to pass through the same approval process as did the regional plan.

6.22 Excess cost for occupational education, excluding business and distributive education subjects, should be defined as 60% of the average approved operating expenditures per WADA for a BOCES region. (This is approximately equivalent to weighting occupational education pupils 1.85.)

6.23 Excess costs so defined should receive state aid according to the same excess cost aid ratio as calculated for aid for handicapped children (section 5.34). A district should also receive general aid for pupils enrolled in occupational education programs as for other secondary pupils.

6.24 Costs of occupational programs provided by BOCES should be charged to a school district on the basis of pupils enrolled and/or other conditions specified in the contract between BOCES and the district. These charges should not be included in the district's approved operating expenditures for general operating aid.

6.25 Expenses for the OAC and supporting staff, and for developing and updating the regional plan for occupational education should be prorated among component districts according to the formula presented above in section 3.20 for General Administration of Shared Services. These should be excluded from a district's approved operating expenditures for general aid and would be aided according to the district's excess cost aid ratio described in section 5.34.

6.26 In the absense of either an adequate cost accounting system to support actual excess costs, or a single weighting formula that can be applied to academic schools, it is recommended that cost recovery aid be given to academic (non-vocational) high schools for selected steps taken to upgrade or expand their vocational training capability in keeping with the regional plan. Two types of actions are highly visible and suitable for reimbursement. Expenditures for vocational equipment to be used in approved programs should be reimbursed by the state according to the district's aid ratio as computed for shared services. That portion of teacher salaries allocated to cooperative work experience and job placement should be similarly reimbursed.

Financial Impact

Overall, the impact of the governance recommendations would be negligible, but for some districts it would be substantial. For the state, the biggest expense would be for absorbing the administrative costs of the 21 new BOCES members for three years and for paying in full the services rendered to SED by BOCES. It is unlikely that the latter would exceed $8,000,000 which represents approximately half of the current administrative costs of BOCES. The former expense should not rise above $10,000,000. The sum of these costs would be partially offset by the elimination of tax rate (millage) aid.

In 1972, the Fleischmann Commission estimated the cost of the multi-disciplinary diagnostic teams at $48 million to start and $43 million annually to operate (1972, p. 9.36). The Commission went on to note that, "Most of the money involved, however, would not be new money, since few new personnel would be hired, and current personnel from public school districts, local public health stations and so forth would simply be shifted into different responsibilities."

Applying an inflation factor to make the Fleischmann figures comparable in 1975 dollars to those reported below brings the start up cost to $80 million and the annual operating costs to

$72 million. Since these costs would be aided by the excess cost formula, about 85% would be borne by the state and the balance by local districts.

The recommendations for aiding programs for children with handicapping conditions go just one step beyond that already proposed by the Regents and two steps beyond that legislated for private schools by Chapter 853 of the Laws of 1976. The Regents propose that Chapter 853 aid be extended to all approved programs for severely handicapped children; herein it is recommended that such aid be extended to all approved programs regardless of the degree of handicap. Such aid would take the place of existing BOCES aid and special weightings.

Rather reliable estimates can be made of the fiscal impact of these recommendations on BOCES operated programs because programs are budgeted separately (although actual expenditures apparently are not reported on a programmed basis) and accurate enrollment records are maintained. For district operated programs, no program costs are available either at the budget or expenditure stage and reported numbers of children enrolled vary markedly from report to report. The Conference of Large City School Boards does estimate such costs annually, however. While only one cost impact estimate has been made for BOCES, maximum and

minimum sets of projections have been made for district operated programs using differing sets of available data.

Moving toward excess cost aid for all handicapped programs would require a relatively small seven million additional state dollars for those provided through BOCES - a 13% increase. For programs operated by local districts, the amount required is rather substantial. New York City alone would qualify for an increase in aid between $24 and $54 million; Buffalo $2 to $3 million; and Syracuse up to $600,000. Rochester and Yonkers would qualify for slightly smaller amounts than they do under present aid arrangements. For district operated programs other than those by the Big Five, between $10 and $50 million would be required. The total amount of state monies required to finance the proposed excess cost formula would be between $42 and $114 million of which only $7 million would be needed to support BOCES operated programs. The cost to the state could be substantially reduced by decreasing the percent of excess cost paid by the state in the district of average wealth (now 85%). Such a reduction would have minimal impact on the amount of aid for which property poor districts would qualify; for the property rich, however, the impact would be substantial. Even at 85%, some property rich districts subscribing to BOCES programs would lose aid compared to existing arrangements. Reducing the 85% figure would generally yield less than BOCES aid now generates,

but for most district operated programs, it would still be an attractive option up to a point.

More than anything else, these estimates show that the present aid arrangement does not treat all handicapped programs alike regardless of their location. Even with the Chapter 241 legislation, economic neutrality and equity was not achieved. BOCES operated programs still have a financial edge from the perspective of district decision makers, especially for the severely handicapped. The most under aided district appears to be New York City followed by Buffalo.

There is another aspect of financing programs for children with handicapping conditions which may require additional state and local monies regardless of the formula in operation. As procedures for locating the handicapped population become more efficient, the number of children will mount; but to what point is a matter of speculation because no one really knows just how many handicapped children there are. Estimates range widely. School officials at both the state and local levels appear to be confident that nearly the entire population is being served at present. Virtually, all other estimates indicate that there are substantial numbers of handicapped children not receiving educational services. These range from 65,000 to 150,000.

As with handicapped programs, rather reliable cost estimates of the occupational education recommendations can be made for BOCES, but not for the Big Five or for "Other" district operated programs. Only one cost estimate has been generated for BOCES while maximum and minimum estimates have been made for the latter two categories.

In applying the proposed limited excess cost formula to BOCES operated programs, state aid remains virtually constant overall - increasing by only one million dollars. There is a tendency for property rich component districts to receive less aid, however, and for property poor districts to receive more. Overall, 26 BOCES areas would experience a net gain in aid and 15 would experience a net loss. A combination of low costs relative to approved operating expenditure per pupil weighted average daily attendance of component districts and low property valuations cause the Erie BOCES to realize the largest gain under the proposed formula - $845,000. A combination of high costs relative to approved operating expenditure per pupil in weighted average daily attendance of component districts and high property valuations cause the Nassau BOCES to realize the largest loss - $1,160,000. In implementation, a temporary save-harmless provision would probably be required to prevent severe financial dislocations.

Although the total amount of state aid going to support BOCES programs is about the same under the present and proposed formulas, substantial increases go to district operated programs. This is further evidence that Chapter 241 did not fully bring about equitable treatment among types of districts. Under the proposed formula, New York City would realize an increase in aid of between $18 and $39 million; Rochester, $300,000 to $600,000; and Yonkers, $500,000 to $1,000,000. Buffalo and Syracuse would experience possible small losses under the minimum estimates and gains of $1,000,000 and $170,000 respectively under the maximum estimates. Excluding Business and Distribution programs, not many occupational offerings are delivered outside of BOCES and the Big Five. Where such approved programs do exist, however, districts cannot help but gain state aid under the occupational education proposals because none is now available to them. "Other" districts would qualify for new aid in amounts between $10,000,000 and $17,000,000. The total amount of new state monies required would be between $29 and $60 million. It is impossible to move to a single formula for aiding the costs of occupational education for less money without drastically reducing the amount of aid paid to districts providing such programs through BOCES.

Synopsis

The main thrust of these recommendations is to formalize a third level of decision making and service delivery within the state's educational structure. By involving all the big and small cities as well as the suburban and rural districts in BOCES, new forums are created whereby school districts can discuss, plan and solve problems which do not respect the vagaries of school district boundries. No such forum exists at present short of the state legislature. At the same time, the integrity of the local school district is maintained for planning and providing those educational services which do not require multi-district cooperation.

Charles Schultz and Henry Owen (1976, p. 7) have observed that:

> Ten years ago government was widely viewed as an instrument to solve problems; today government itself is viewed as part of the problem... (G)overnment regulations are increasingly perceived as generators of red tape, obstacles to efficiency, and intrusions on freedom.

Governments and their bureaucracies are central to the welfare of an affluent and complex society such as ours; but futurologists are beginning to observe that we are approaching the limits of complexity.

> Social systems tend to decline in performamce as they become bigger, more complex, and increasingly incomprehensible. They also become less amenable to democratic control, and more vulnerable to disruption at key points. There now appears to be evidence that we may be pressing against the relative limits of our ability to manage large bureaucracies. (Elgin and Bushnell, 1977, p. 377).

The situation is not yet critical within New York State's largest bureaucracy, education, although the signs of strain are becoming more and more apparent. As problems increase in difficulty, more responsibility is being placed with SED. Some of the increased responsibility has been assumed voluntarily by the Department, but most has been assigned by the State Legislature, by Congress or by State and Federal Courts.

Schultz and Owens (1976, p. 13) have also pointed out:

> (T)he important issues are less idealogical. Designing successful policies increasingly requires skills beyond the traditional political ones of negotiation and compromise among conflicting values and interests. In part, the need is for more analytical skills and technical competence.

The recommendations of this report, concerning the financing and governance of BOCES would provide the State with an alternative to consolidating dicision-making in Albany. The planning recommendations would increase overall the State's analytical skills in support of policy decisions, but at a regional level.

Probably the biggest impact on BOCES would be political, not financial. This is especially true for those BOCES which would receive new members although all could be affected by the reallocation of voting power. The balance would shift toward larger districts which could not help but have some impact on BOCES perspectives, policies and programs. Through their roles in regional planning for occupational education and education of children with handicapping conditions, BOCES would be granted a degree of authority to effect programs and the allocation of resources which no BOCES has at present. The formalizing of BOCES state supervisory function would also increase its influence.

BOCES would probably remain the primary conveyor of services for occupational education and for severely handicapped children outside of the Big Five cities even though the aid for such services would become categorical. BOCES role with handicapped children could be expected to decline especially in metropolitan areas. Many shared services would continue to be provided through BOCES and would begin to include districts presently excluded from them. BOCES would assume a major role with respect to planning. For regional planning, it would assume the central role.

The impact on districts will vary greatly. The criteria of equity and economic neutrality has been paramount in designing the recommendations. The elimination of tax rate (millage) aid was proposed in the name of equalization; it will result in a reduction in aid to property rich districts. The elimination of shared services aid and the institution of categorical aid was proposed in the names of both equalization and economic neutrality. Related recommendations will tend to shift funds away from small property rich districts to property poor districts and districts with large proportions of students eligible for those categorical aids. Regional planning is required primarily where the state now assumes direct responsibility for quality control. Operationally this responsibility is now shifted to BOCES. This should make the control function much more effective than it is at present which may give the <u>appearance</u> of reduced local autonomy with respect to these services.

Chapter I

Introduction

Purposes of the Study

This study is a component of the New York State School Finance Law Study Project, Section 842, being conducted by the New York State Education Department (SED). Its purposes lie primarily within the Project's Task 6, a Study of Regional Services, and Task 7, School District Organization.

> Goal of Task 6: The purpose of this task is to study the present and possible alternative rationales for providing regional services and, in keeping with the "Regents 1976 Position Paper on Educational Services, Structure, Governance, and Organization," to recommend provisions for stimulating and aiding such services in the future.
>
> Goal of Task 7: The purpose of this task is to review past and present New York State policies on school district organization and reorganization and to suggest any changes that appear feasible. (From the Study Proposal).

This study also analyzes under Task 1, A Study of Existing Aid Distributions, the impact of aid for Boards of Cooperative

Educational Services (BOCES)[1] on local districts. The probable future effects of the existing formula and alternatives are estimated. Analysis is made in terms of the following factors:

1. The apparent purpose insofar as it can be found in the law or learned from the legislative history;
2. The effect on equalization of educational opportunity as measured by expenditures;
3. The effect on tax equalization;
4. The effect on the stimulation of economies or diseconomies in school operations;
5. The effects on the specific programs provided; and,
6. The costs and problems of administration and enforcement.

Data for the analyses were gathered from three basic sources: document and literature review; interviews of SED, BOCES and school district personnel; and data banks of the SED including the Department's Consolidated Data Base.

The structure of public education in New York State has been created through legislative action. In analyzing the effectiveness of that structure, it is necessary to evaluate it against the intent of the seminal legislation. Occasionally the intent may be gleaned from the law itself, but more often, it is necessary to distill the intent from an analysis of secondary

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[1] Throughout this monograph, "BOCES" is used as an expression of both the singular and the plural and refers to the agency in its totality. When reference is made to the governing board, the somewhat redundant term, "BOCES board" is used.

documents which were developed as a part of bureaucratic considerations preceding legislative action and by proponents and critics of the courses of action taken. However, such sources do not necessarily address the wisdom of the legislation. Evaluations of this sort are more likely to be found in the works of philosophers, statesmen, historians and social scientists.

In the chapters which follow, the findings of the document and literature reviews are reported as they become relevent to the discussion. In general, Chapter III synthesizes the literature pertaining to the evolution of the contemporary structure of public education while Chapter IV concentrates on issues of economies of scale. An extensive review and synthesis of the occupational and career education literature is reported in Occasional Paper No. 28, "Occupational Education in New York State: The Transition from Vocational to Career Education," by Eugene A. Nelson. Literature pertaining to special education is summarized in Occasional Paper No. 29, "Handicapped Programs in New York State," by Patricia C. Good.

Sources of SED, BOCES and school district officials were interviewed. Those interviewed by no means constitute a random sample of the target population, but considerable care was exercised to solicit opinion representative of all the richly varying regions and circumstances of New York State. The purpose

of the interviews was to sensitize the consultants to the many issues involved, and to how the manifestations and ramifications of these issues may vary with conditions. This process was critical to the formulation of questions and hypotheses to guide data analysis and to the eventual development of recommended courses of action. Because the purpose of the interviews was not to gain a scientific sampling of opinion, no attempt has been made to systematically report the opinions expressed; however, occasional reference is made to interview responses. Interviews were conducted between January 10 and June 30, 1977. Persons interviewed and the general interview guide are included in Appendix A. The interview guide was modified appropriately according to the position of the interviewee.

Data analyses were based primarily on information supplied through the SED Consolidated Data Base for 1975-76. Specifically, the following elements were analyzed: The School District Financial File; District Level Information - Public Schools; and District Level Information - Boards of Cooperative Educational Services. Analyses were made at the district level and for districts aggregated by BOCES. In the latter case, data were supplemented by information supplied by the Division of Educational Finance, State Aided Programs Unit, SED. Basic descriptive statistics were studied and two way relationships among variables of special interest were examined and tested for

linearity. Multiple regression analyses were made against achievement, dropout and financial criteria. Results of the statistical analysis are reported in Chapter IV as they pertain to school district size and economies of scale. As they pertain to the impact of present financing schemes, the results are reported in Chapter V. The data base was also used to estimate the potential impact of alternative arrangements and the evential recommendations reported in Chapters VI and VII.

As the consultants began to formulate their recommendations, they subjected them to a limited "reality" testing, i.e. criticism by persons who might be affected by proposed changes. Frequently this led to a restructuring of the original proposals. This is not to suggest that all proposed herein is beyond controversy; it is to suggest, however, that all is feasible. Indeed, it is hoped that there is much which is controversial among the recommendations. If there is not, the report has failed to broaden the scope of the popular perception of what is possible and perhaps desirable.

Report Outline

In Chapter II a general conceptualization of the problem is developed which knits together the three tasks specified at the beginning of this chapter. In Chapter III the historical

developments are examined which led to the existing structure for delivering public elementary and secondary educational services in New York State. In Chapter IV the literature on economies of scale in education is reviewed. The impact which BOCES and BOCES aid has had upon district reorganization, equalization, and equality of educational opportunity is the focus of Chapter V. In Chapter VI the recommendations of the consultants are reported concerning the organization, finance and governance of regional services and policies concerning local district organization. In Chapter VII the recommendations specifically related to the planning, organization, control and financing of educational services for children with handicapping conditions and for occupational education are presented.

Chapter II

District Organization and the Delivery of Educational Services

General Analysis of the Problem

In Chapter I the three tasks addressed by this study were specified as lying in the areas of district reorganization, supplying regional educational services and the impact of existing BOCES aid. While it is helpful to keep the tasks separate for purposes of analysis and reporting, they are in reality aspects of one basic problem, designing an optimal structure for the delivery and finance of educational services in New York State. This chapter will present a scheme for conceptualizing the problem in its entirety. Subsequent chapters will examine its components.

A unitary concept is consistent with the provision of the State Constitution which authorizes the establishment of a state-wide public school system:

> The legislature shall provide for the maintenance and support of a system of free common schools, wherein all the children of this state may be educated. (Article XI, Section 1)

The constitution also continues the Regents of the University of the State of New York, originally chartered by the legislature in 1784, but reserves to the legislature the definition of Regents' powers. Finally, the constitution places the Regents at the head of the department of education and authorizes them to appoint, and at pleasure remove a commissioner of education to be the chief administrative officer of the department. (Article V, Section 1, Paragraph 4). Other references to education and school districts place certain limits on the financing of education, but are silent on structure. School districts are assumed (which is reasonable considering the constitution was adopted in 1938), but are neither mandated nor described.

The public educational system which exists today has evolved from legislative action and the legislature possesses full constitutional authority to continue and to direct the evolutionary process. There are severe political constraints which the legislature must recognize, however, growing out of the desires and expectations of the electorate.

The intent and purposes of various units of the educational structure are described in state law and in State Education Department policy; but the official statements of purpose and intent do not always recognize other variables which can operate to shape any given unit in ways which are sometimes inconsistent

with the policy creating them. State policy on educational governance views local school districts as "the basic operating units and one level of authority in the State's system of Education." (Regents' Position Paper No. 25, 1976). In general, Boards of Cooperative Educational Services (BOCES) are designed to supplement, not supplant, the services normally expected from the local school district. The Regents, and through the Regents, the Commissioner, are responsible to the Legislature for implementing the Education Law and for administering and controlling the entire system.

However, these general statements suggest a division of authority and responsibility which only partially exists. One source of variation from the stated norm is the problem of standards, and the accepted role of the SED in establishing "minimal" standards. If the role of BOCES is defined in terms of services which supplement rather than supplant services normally expected of districts, it is clear that a shift in standards implies a shift in the relative roles of these educational units. Assume for the moment that there are a set of consistent minimum standards which remain unchanging over time. Then it would be possible to arrange all school districts along a minimum standards criterion and to determine which meet those standards and which do not. If all districts were able to meet the standards on their own, there would either be no need for BOCES

services, or the services established would fall into the domain of desirable rather than necessary (minimal). But the fact is, and always has been, that local operating conditions governing districts have prevented them from meeting "minimal" standards and the problem grows when standards are not held constant, but themselves change to meet changes in society and in our conception of equality of educational opportunity.

Empirically, the concepts of "intent" and "purposes" of a unit are tentative abstractions located somewhere in the interaction of educational standards and the ability of diversely situated school districts to meet them. In this analysis, it seems important not only to identify the legislation and SED policies which state the intent and purposes of a unit, but also to simultaneously relate those policies to the variables which in practice influence the unit operationally.

The District and Intermediate District Rationales for Providing Educational Service

BOCES as An Instrument to Extend Services

The enabling legislation for intermediate districts, and BOCES as a temporary step toward such districts, grew from the recognition that school districts located in rural areas could not meet the same standards attained elsewhere. The background

for this legislation can be traced to the Council of Rural Education which was established by the State Farm Bureau in 1943 "to examime the possible approaches that could meet the needs of the State's rural school districts," (Legislative Commission on Expenditure Review, June 28, 1976, p. 1). The notion that rural areas could not meet "minimal" standards, depends of course on the standards proposed. The more important point for this analysis, is that the need for a regional service grew from recognition that the ability of local school districts to provide services differed according to their geographical location and population density.

To overcome the population density constraint, regionalism was proposed, and Boards of Cooperative Educational Services were authorized as an interim step. The Legislative Commission on Expenditure Review (LCER) notes:

> As an interim measure, prior to the establishment of any intermediate districts, the law provided that the Commissioner, upon petition of boards of education and school trustees of a supervisory district, may create a temporary board of cooperative educational services (BOCES). This enabling legislation included only limited specification of BOCES powers and functions. In the ensuing years, as numerous BOCES were formed, amendments were necessary to provide them the legal authority to function and offer those services needed. (Legislative Commission on Expenditure Review, June 28, 1976, p. 2).

Coincident with this development toward regional organization, was the trend toward consolidation of school districts, and the emergence of the comprehensive high school. In this movement, explicit recognition was given to the variables of size and economy of scale as determinants of a school district's ability to provide adequate services. In 1903 there were 11,726 school districts in the state. By 1930, these had been reduced to 9,118, and by 1950, shortly after the intermediate school district law, to 4,362. From 1948 to 1973, the number of regional BOCES grew from zero to a high of 82, and were then consolidated to 44. Simultaneously, through consolidation, the number of school districts operating schools were reduced from the 1950 figure to 736 in 1973. Each time school districts were consolidated, they theoretically increased their capacity to provide their own services, hence reducing the need for regional BOCES services.

But at the same time pupil population and resources were concentrated, shifts took place in the standards which were to be met and provisions were made for meeting special needs such as occupational education and services for the handicapped. With rising standards, it became apparent that the concept of regional cooperation would apply to a variety of school districts and not simply to those in rural areas. At present, there are 74 occupational education centers operated by BOCES: only 35 serve

distinctly rural areas; 14 are in or near small cities; 11 are located in or near intermediate sized cities; and 14 may be considered to serve suburban districts of the 5 major cities which are not themselves eligible for BOCES membership.

It is conceivable that without the notable increase in school district consolidation, BOCES itself might have become the vehicle for providing the comprehensive high school. But BOCES was still considered a temporary or interim measure on the road to establishment of intermediate school districts. When first established, the services offered by BOCES were relatively limited, consisting primarily of providing itinerant teachers who would travel between rural districts to provide programs which would not otherwise be provided. Nevertheless, as the recognition of the usefulness of BOCES as a vehicle for meeting certain educational needs continued to grow, the legislature responded by granting them the authority required to meet those needs. Thus, the evolving nature of BOCES can be seen in terms of the trend toward rising standards and the movement to consolidate school population and resources in order to provide an expanding range of services. From this perspective, BOCES might be considered as another means of extending the concept of school district consolidation.

Clearly, the future direction of district consolidation and the structure of BOCES will be affected by each other; but, the SED perspective has still been confined to that of defining functions and governance relationships within a fixed hierarchy. This perspective obscures, or at least does not make explicit, the relationship of the system to other developments at both the regional and national level. Forces are in operation which already threaten to change any policy which defines the role of BOCES solely in terms of providing services which the school districts cannot provide by themselves. At one end, there is federal interest in regional and interstate cooperation; and at the other end, increasing involvement of local non-educational agencies in the educative process. BOCES are, in fact, already responding to these forces, but the current policy on governance tends to ignore them.

One of the most powerful of these forces is the growth of educational technology. Many technological developments, such as educational television and computer services can only be brought to the educational community through regional cooperation. So far, these developments have not seriously impacted the autonomous role of the school district in developing its own curriculum and being solely responsible for providing instructional services apart from specialized programs such as vocational and special education. However, there is a trend

toward individualization of instruction which can change this pattern. For decades, the educational community has been plagued by a conflict between its ideal goal of providing for individual needs, and the practice of standardization. The trend toward school district consolidation has been based on the theory that individual needs can be met only by providing an increased number of standardized programs. It is in this context that the role of BOCES has been defined as providing programs which the school district cannot provide itself at a reasonable pupil cost.

Current policy assumes that the school is the basic unit of education, and the course offering is the standard package of instruction. These assumptions have not been challenged because; 1) community cooperation generally has not developed to the point where education can extensively take place in community locations other than the school although prototypes are emerging; and 2) the technology of individualization has not developed to the point where one can say that an alternative to standardized course offerings viably exists.

It appears that three trends will merge in the next decade to create a technology of individualization, and completely alter the confined role of BOCES in relation to the school. First, there has been increased development of computer-assisted instruction. Second, there has been development of curriculum

planning resources and associated computer-based techniques for managing highly complex elements of curriculum. Both of these developments already permit a degree of individualization in the schools, and their use by school districts is increasing. (Several BOCES already provide computer terminals to schools for career guidance and for computer assisted instruction.) The third factor needed to complete the trend, is a psychological theory of individualization which can be used as an organizing framework for curriculum planning. (This factor is discussed in greater detail in the accompanying Occasional Paper No. 28).

With sufficient progress in all three trends, BOCES may eventually find themselves in the position of providing the technological support, and possibly the raw materials for the conduct of district programs. At such a point, their relationship to the school district would no longer be supplemental and/or specialized services, but would be integrally connected to the conduct of instruction in the district itself.

BOCES as A Unit of State Control and Administration

When BOCES are viewed in terms of the intermediate school district concept, the shared services concept subtly merges with the problem of state control and administration. This is suggested by a comparison of the state's supervisory districts and the number of BOCES. As can be seen from Table 2.1, by 1972,

Table 2.1

History of the reduction in the number of supervisory districts and of the development of Boards of Cooperative Educational Services

Year	# Supervisory Districts	# of District Superintendents	# of BOCES
1933	208	208	0
1943	190	190	0
1953	152	152	51
1958	121	121	82
1963	86	86	74
1967	62	62	59
1970	55	55	55
1976	45	45	45

Source: Regents' Position Paper No. 25, 1976, p. 10.

when BOCES was made a permanent part of the state's organizational structure, it had already been made compatible with the SED's organization for exercising management responsibility. To view BOCES as emerging solely from the requirements of school districts would appear to be inaccurate; BOCES also serve as a vehicle for state administration through the office of the district superintendent. This assertion seems at odds with some of the policy statements inherent in legislation and SED publications; but it should be kept in mind that BOCES, as a intermediate organization, is not a fixed concept.

The dimensions of BOCES as a vehicle of state control and administration can be seen in an examination of the role of its administrative officer, of the policy of the Regents regarding the function of BOCES, and of certain legislative mandates.

The administrative officer of BOCES wears two hats. While he is the administrative officer of the regional service agency, he is also a supervisory agent of the SED. The Legislative Commission on Expenditure Review reports:

> As a state officer, the district superintendent has both statutory duties and those assigned by the Commissioner. As a field representative of the Commissioner, he explains departmental policies and

> regulations, represents local districts' concerns at SED, and undertakes special assignments for and reports to the Commissioner.
>
> ...No less than 73 sections of the Educational Law define the different duties and responsibilities of district superintendents as state officers. (Legislative Commission on Expenditure Review, June 28, 1976, pp. 9-10).

The Regents have listed the major responsibilities of the BOCES, themselves, as follows:

1. To determine and respond to the educational needs of the geographic area served by the Board and to work with school districts to consider and develop cooperative programs based on their findings.
2. To provide services to each participating school district and to be accountable to both the district and the State for the efficient delivery of those services.
3. To develop clear operating policies under which requested and approved services will be provided to those districts which select them with the most prudent use of available resources.
4. To develop appropriate housing and equipment proposals and to encourage necessary voter approval.
5. To cooperate with one or more other BOCES for the delivery of requested services when it is appropriate in terms of economy, effectiveness, or efficiency.
6. To select, with the approval of the Commissioner of Education, a District Superintendent of Schools to serve as the BOCES executive officer.
7. To support adequately the district superintendent, his staff, and others who exercise leadership for cooperative action among other agencies and the BOCES. (Regents' Position Paper No. 25, 1976, p. 9).

Even a cursory analysis of these policy statements shows the mixture of BOCES functions which are derived from the concept of sharing services at the local level and those which are derived

from the SED's broader management view of decentralized administration.

Turning to shared instructional services, the problem is equally fluid. Occupational education provides a good example. Under general state policy, SED sets minimum standards, and the local district goes beyond these standards at its own discretion. Consequently, a BOCES is established only by petition from local agencies and the local district is not required to purchase services... at least in theory.

At present, there is no requirement that all school districts operate a broad range of programs in occupational education (although individual pupils must have access to such programs). Since many districts have not achieved sufficient size to support even the academic courses envisioned in the comprehensive high school concept, a requirement for occupational courses would be unattainable. In terms of general policy, the BOCES unit may provide occupational education programs, but the local district is not required to purchase them. In terms of state goals for occupational education, however, the general policy gives way to change in standards. The Regents in Position Paper No. 11 have established the policy that all students are entitled to occupational education. Education Law, Section 4602, requires that school districts provide secondary school pupils access to

programs of occupational education based on their interest and potential. Commissioner of Education Decision No. 8984 further confirmed this policy. Under Education Law, Section 4602, even though a school district has chosen not to become a member of BOCES, it may and must purchase instructional services of occupational education when student demand dictates. Obviously, the state criterion of equality of educational opportunity may conflict with the criterion of local governance.

A service of increasing concern at the regional level is that of regional planning. Again, under the broad state policy regarding the relationship of BOCES and local districts, the picture suggested is one in which all the local districts cooperate on a regional basis, no longer planning in isolation. The incongruity of this picture, with the facts of interdistrict cooperation (or lack of it) is obvious. Regional planning is predominately an outgrowth of state administrative needs.

Chapter 793 of the Laws of 1975 mandates that each BOCES after July 1976 annually "...prepare long-range program plans to meet the projected need of such cooperative educational services in the supervisory district for the next five years". Education Law, Section 1950 (4c) requires that BOCES "...make or cause to make surveys to determine the needs for cooperative educational services" and that each year component districts request the

services needed from the BOCES. Education Law, Section 1950 (1, 3, 4d) requires that each year school district requests for BOCES services be submitted to SED for review and approval. Formerly, the law required that the service requests be submitted no later than February 1, each year. Pursuant to Chapter 793 of the Laws of 1975, after July 1, 1976 the requests are due by January 15. Who feels the need for such regional plans? The SED or the local districts?

The net effect of these regulations is to require the approval of both the SED and the local district for the establishment of a BOCES service. However, analysis shows that the real control lies with SED: 1) no program is offered unless it meets SED criteria; and 2) in the case of occupational education and regional planning, the participation of districts is in effect mandated by the state.

The critical point is that the "intent and purpose" of BOCES can change radically by changing two types of defining criteria. First, change the definition of minimal standards which local school districts must meet; or second, change the objectives of SED regarding regional administration or management. In the first case, a shift to higher educational standards immediately increases the number of school districts which are unable to provide programs given their current student population and

resource base. Consequently, the role of BOCES in providing shared services on a regional basis increases. In the second case, every letter from SED to district superintendents, has the potential to increase the state administraive role. "Eliminate inequity between school districts;" "Develop regional plans to insure educational equality and to promote greater efficiency of operation within school districts." Such statements do not require legislation to redefine the purpose of BOCES. They are already the duty of the SED, and because the district superintendent is an agent of SED as well as the BOCES executive officer, the intent and purpose of BOCES changes with variables in everyday operation.

BOCES and The Intermediate District

In several states other than New York, this interaction between local services and state administrative control serves to distinguish quite different forms of organization - similar to that proposed for New York by the Fleischmann Commission (1972, pp. 11.35-11.65). The Commission proposed that the functions of BOCES be revised to include only those of a service nature. State administrative controls and services would be provided through regional offices of SED. The revised BOCES would have shared many characteristics with the intermediate district authorized by the 1948 law.

Firman (1964) conducted a penetrating analysis of the role of BOCES as compared to the concept of the intermediate district. First, he noted that because BOCES were considered an interim step, "control through yearly approvals was vested in the State Education Department, and cooperative boards were not permitted to undertake any commitment which could not be terminated at the close of any school year".

The critical point which emerges in Firman's analysis, is that there were distinct differences between the concepts underlying the intermediate school district, and those of the interim BOCES. In practice, these have never been reconciled. As Firman (1964, p. 4) noted, "a combination of prudential controls which govern the operation of these boards and the fiscal arrangements which were provided as an incentive to their formation, may have limited the ability of the organization to adapt itself to emerging educational needs; and at the same time, may have created inequities among the school districts of the state".

In comparing the provisions relating to BOCES to the provisions intended for intermediate school districts, Firman noted a difference in local voter control (p. 4) and in the method which would be used for appointing the superintendent (p. 5). He also noted that at that time, the BOCES did not have

power to purchase buildings and construct facilities needed to operate their programs (p. 6). This was later changed in 1967. A fourth difference "is in the approval and control of expenditures," (p. 7). The intermediate district concept would have retained local control over the budget; the BOCES law essentially gives this power to the state. The same distinction holds true for the approval of programs (p. 7-8). Firman finds the problem of program control particularly significant, noting that the intermediate district had:

> "the duty to provide many educational services and programs on a continuous basis with the opportunity to provide additional services or educational programs not specified in the law with the approval of the Commissioner of Education. Boards of Cooperative Educational Services, on the other hand, may provide certain services on a yearly basis with each service to be subject to approval each year. Thus, while the intermediate school district law allows the continuation of needed services and programs to all children of constituent districts on a regular basis in time, there is no such assurance as to the nature of programs or services under the board of cooperative educational services law. (Firman, 1964, p. 8).

Study Perspective

State policy governance which identifies the local school district as the basic educational unit, and distinguishes it from a regional unit such as BOCES, is itself a barrier to analysis. When one is forced to think in terms of either school district or

BOCES responsibility, one is led to decide that one service belongs to BOCES, or another belongs to a school district. In reality, however, the population and resources in any area are adequate to support various sized schools and ranges of programs. In response to the implicit needs of the community, a network of educational facilities emerges. The factors which determine whether the facilities in the network are best operated by a BOCES or a school district or the State Education Department, itself, are not optimally determined by the governance criteria, but by the operating conditions of the local area.

The relationship between school district and BOCES is better defined in nature by whether the students and resources in a given area can best be consolidated at a district or at a regional level. But the essentially different characteristics of both agencies also play a role. Apart from demographic considerations, the addition of occupational education courses, for example, to the existing program of an academic high school has far greater implications than the similar addition at a specialized occupational education center of BOCES. Note that the effect of district consolidation is to create the possibility of a comprehensive high school, and when the size of such a school is considered in relation to such services as special education or occupational education, the comprehensive high school must be large indeed. On the other hand, the BOCES unit

is not under the constraints which shape traditional school environments. It can create specialized facilities to respond flexibly to special needs, perhaps at less cost.

From a "state-of-nature" perspective, the dismissal of district and BOCES distinctions seems justified. From the perspective of legislation and SED policy, of course, ignoring these distinctions is not possible. Nevertheless, it appears that the state of nature perspective is being increasingly adopted in SED.

Soucy (1974), in a background paper for Regents Position Paper No. 25, noted that the criteria adopted for an optimal sized school district had changed constantly over the years, and that it was time to re-examine the entire rationale for school district organization. However, he further notes that the problem has been changed by the simultaneous emergence of BOCES services. Further consolidations of school districts is not the only alternative for consolidating students and resources to attain greater ranges of educational opportunities. The creation of a BOCES service at a regional level can achieve the same effect. Soucy concludes:

> The direction taken (in district organization) and the eventual characteristics of school districts will be interrelated with the

> direction and characteristics of BOCES. Decisions to change either unit must be closely correlated with the necessary changes in the other. (Soucy, 1974, p. 12).

From Soucy's perspective, a major factor will be the way in which one chooses to define the nature and purpose of a school district or a BOCES. The shared service constraint on BOCES services, combined with the notion that "no matter how excellent the program and operation of the intermediate agency may be, the school district is the basic unit for providing instructional services," (Soucy, 1974, p. 28) poses a definitional problem for state policy.

Clearly, an overriding factor in nature is the inverse relationship between school district size and the need for BOCES. The larger the school district size and hence its capability to support a wider variety of services, the less the need for BOCES services. In the realities of the education process, however, the net effect of either creating larger school districts or intermediate BOCES is to add a facility or educational resource to the network of facilities available to students within a geographical region.

This analysis shifts the perspective of the problem from that of defining the role of institutions, such as school districts and BOCES, to considering their function in networks of

educational resources available in highly diverse communities. The analysis also takes into account certain developing trends. As a shift from institutions to community provision of education occurs, there will also be a shift from viewing schooling as an array of programs, to viewing it as a capability to respond to highly diverse needs of individual people living under the quite different conditions found across New York State. Specifically, a comparison will be made between the service potential of educational systems when it follows the strategy of expanding the range of programs offered, as opposed to the capability it might achieve under an emerging technology of individualization.

Chapter III

Social Change and Legislative Response

A Brief History of School District Organization in New York State

From the establishment of the first European settlements in North America, assuring literacy among the populace has been an important social concern. Without an absolute standard for literacy, each generation has had to develop its own definition in terms of prevailing social, economic and technological conditions. Correspondingly, each generation has had to revise old structures and devise new ones adequate for providing the level of literacy believed at the time to be necessary to promote the general welfare. The present generation differs from preceding generations only in the speed at which societal changes are taking place and at which adjustments must be made.

During the colonial period in New Netherlands and New England, the concern over universal literacy - which meant little more than being able to read and perhaps to write - stemmed primarily from religious doctrine and schooling was provided

largely under clerical supervision. The economics and the technology of the day depended very little upon manpower skills developed through formal education. Only the ruling elite of clergy and lawyers required such skills. The early colleges were designed to provide a dependable supply of such persons.

Only three colonies, Rhode Island, Pennsylvania and Maryland, were founded on some basis of religious freedom. All the others supported an established church including all instructional endeavors of that church. In New Netherlands, later New York, the Calvinistic Reformed Church was the established church during Dutch Rule. It was supplanted by the Anglican Church for a short time after the takeover by the English in 1664; but, because of the heterogeneity of the population in New York, establishment of a single church soon proved to be politically impossible. The colony quickly moved into what might be termed a multiple establishment. The patterns of schooling which developed were as confusing as the church-state relationships. There were no public schools as we know them today but public funds were used to support some parochial, private and philanthropic schools.

As the colonies entered into the revolutionary period, the centrality of the church had declined and with it, emphasis on basic literacy; but with the winning of independence, literacy gained a new secular importance and a new interest in schooling

developed. Extending sufferage to unpropertied males made it important that society provide schooling for even the poor so that this right might be exercised knowledgeably. Further, the swelling numbers of poor and illiterate (at least in the English language) people brought to these shores by mass imigration created a situation which, in the eyes of many, held a potential threat to political stability and the dominant culture. Although there was a substantial network of parochial and private schools in existence, these schools served primarily the middle class, and their curricula did not stress the universalistic secular principles desired during the nation's building period. A call arose for a common school as a means for educating citizens to the task of universal sufferage, for making one nation from the people of many lands, and for developing a sense of nationalism and destiny. Growing out of a fear of the emergence of an American aristocracy, the common school was also seen as a viable means of promoting a sense of community which would avoid rigid class stratification and facilitate communication and understanding among economic and ethnic groups (Cremin, 1951). The concern was national, but the vehicle for meeting the concern was the state.

As an immediate consequence of the Revolutionary War, the New York State Legislature established in 1784 "The Regents of the University of the State of New York" as a corporation for the

governance of King's College, now Columbia University. Subsequently, authority was extended to the Regents to charter and to supervise colleges, academic and other secondary schools. Though they had no responsibility for elementary education other than to provide for teacher training, the Regents were among the first to champion the cause of the common school.

The settlement of New Englanders upstate during the late eighteenth and early nineteenth centuries quickly resulted in a dual educational policy: one for New York City, a carry over from the colonial period under Dutch and then English rule; and another for the rest of the state similar to the New England pattern. In 1795, the first act "for the encouragement of schools" was passed. It provided an annual appropriation of $100,000 to be divided among only those communities which provided schools through their own effort equal to at least one-half of the state grant. The act expired in 1800 and was not reenacted. Through proceeds realized from the sale of large tracts of state land, the Legislature of 1805 established a Common School Fund in order to help spread common school districts throughout the state.

The first permanent school law was passed in 1812. It prescribed the characteristics of a statewide school system with the authorization of school districts within the town structure

at local option. It established the precedence for school district taxation by permitting a levy sufficient to provide a school house. State contributions, which had to be matched by the town, were made through the Common School Fund. But public revenues were generally insufficient to meet the operational costs of these institutions. To cover its deficit, each district after 1814 was permitted to issue "rate bills", an assessment to be paid by parents of school children. For parents who could not afford such a levy, their escape was either to refrain from enrolling their children in school or to declare themselves indigent with most opting the former. Rate bills continued as state policy until 1867, although several cities had eliminated such charges as early as 1832 with specific permission of the state legislature. Permissive legislation was extended to all districts in 1848.

The 1812 law is critical to an understanding of school district organization and governance. It set the precedents and established the basic units which make up most school districts today. While only 26 common school districts remain, at one time there were over 10,000. Central and Union Free School Distict are nothing more than the consolidation of those first units (Monroe, 1915). Burke (1977, p. 2) has attributed the extreme inequalities among today's school districts to the 1812 law. He refers to three "blunders": making the districts units of

administration; giving them taxing authority - albeit very limited; and, tying town and state support to a concept which would cause both to decline in importance.

While it is easy in retrospect to castigate the architects of the 1812 law, they had no conception of what conditions would be a century and a half later; but they were very much aware of the conditions of their own day and developed a dynamic mechanism for making public supported and public controlled schooling available to most people.

In 1812, virtually all schooling was still provided by private, primarily religious, organizations. Many - probably most - children did not have reasonable access to schools. There was no means for assuring the public interest in the education of the populace. The state had constitutional authority over education but it did not have the power to exercise that authority. The idea of public schooling, and later free public schooling, had to be sold. In enabling communities at their discretion to organize and support common schools, the state permitted the willing and able to show the way. As increasing numbers came to realize the benefits of the common school, more and more joined the ranks of the willing to the point where by 1867, the state could mandate a free public common school within walking distance of every child in the state.

Cubberley comments on the spread of the school district concept nationwide:

> The reason for its early popularity are not hard to find. As an administrative and taxing unit it was well suited to the primitive needs and conditions of our early national life. Among a sparse and hard-working rural population, between whom intercourse was limited and intercommunication difficult, and with whom the support of schools by taxation was as yet an unsettled question, local control answered a very real need. The simplicity and democracy of the system was one of its chief merits. Communities or neighborhoods which wanted schools and were willing to pay for them could easily meet and organize a school district, vote to levy a school tax on their own property, employ a teacher, and organize and maintain a school... On the other hand, communities which did not desire schools or were unwilling to tax themselves for them could do without them, and let free-school ideas alone. (Cubberly, 1947, p. 212-213).

Development of free public education followed a different course in New York City. The State Act of 1795 had provided public funds for charity schools within the city. These schools were usually church related. By 1805 the need for charity schools had reached such a point that the desirability of an interdenominational effort became apparent. To this end the Free School Society was established. The Society declared its purpose to be, "for the education of such poor children as do not belong to, or are not provided for by any religious Society." It opened its first school in 1806. Supported in part by subscriptions and

in part through public funds, the Society rapidly expanded, opening several schools and educating thousands of children. The Free School Society was not the only philanthropy serving the city in this fashion, although it was by far the largest.

In 1820, the Bethel Baptish Church of New York City opened a school for the poor of all denominations. It applied for, and received, public funds to carry out its mission. Subsequently the church opened additional schools, some of which competed with the Society's schools. Alarmed at this competition, especially from a denominational group, the Society petitioned the legislature to limit public funds to broadly representative bodies and that religious schools be restricted to educating the poor of their own congregations. The legislature so acted in 1825.

Matters again came to a head in 1840 when the Roman Catholic churches of New York City petitioned for support from the educational fund. Being rejected by the city's common council, the debate was carried to the state legislature. In 1842, the legislature acted to bar public funds from religious organizations and to place all schools receiving funds under the supervision of a Board of Education composed of two commissioners elected from each of the seventeen wards of the City. The wards were established as separate school districts. Each ward had

five trustees and two inspectors who were elected to act as a local school board. In essence, the Act extended to New York City the same provisions for public schools as had been in effect upstate since 1824.

The schools of the Free School Society, now known as the Public School Society, continued to operate under the supervision of the Board of Education until 1853. In that year a merger was negotiated with the public school structure. By terms of the merger, fifteen members of the Public School Society were placed on the Board of Education. The battle for public control in New York City had been won after a struggle lasting over five decades. The Roman Catholics (and several smaller groups), dissatisfied with the resolution, began the establishment of an extensive parochial school system.

To understand the conditions which existed as the cornerstone of public education was being set in place in 1812, it is important to keep in mind that most of the population of the state lived in rural areas and that much of the state was still unsettled wilderness. In 1812, there were only four cities: Albany, Hudson, New York and Schenectady. Throughout the nineteenth century and into the first half of the twentieth century, it was the cities which led the progressive reform movements and whose educational systems served as the epitome of

excellence for the rest of the state. City reforms were exceptions to the general state policy, legalized at their initiative through their charters or by special acts of the state legislature.

Buffalo, for example, was permitted to consolidate its ward schools into a unified district in 1837. Although its first school had been organized in 1806, it was not until 1818 that the first school supported in part by taxes (a ward school) was constructed. In 1837, the city of 15,000 was divided into ten wards, seven of which had one-teacher common schools. The consolidation resulted in the appointment of the nation's first superintendent of schools who was to supervise and coordinate the existing seven schools, to establish schools in the wards which were without such (the poorest wards in the city), and subsequently to provide for secondary education.

Things were not progressing as well outside the major centers of population. A noted New York State superintendent, the Hon. Samuel Young, made the following comment in 1844:

> Small and consequently inefficient districts have, heretofore for a long period, been the source of many formidable evils. Miserable school houses, poor and cheap teachers, interrupted instruction, and heavy rate bills are among the permanent calamities incident to small school districts. (Alford, 1942).

As has been noted, the district system formalized by the law of 1812 worked well for the willing and able, but for those who were unwilling, there was not the leadership to organize a district, and for those who were not able, there were not the resources. The inequity of the district system had become apparent in New England (where the concept originated) even before the national period; but the increasing concentration of capital through industrialization and urbanization made inequities even greater. Citizens which voluntarily formed districts very rapidly attached a loyalty to their achievements and took great pride in them. They were not responsive to criticism of their endeavors from a source external to the community such as the state and resented any and all constraints placed upon them. Those areas which had chosen not to operate a common school were equally resistant to external compulsion to do so, especially when it involved compulsory taxation.

The price the state paid for the spread of free public education was almost complete local control over educational matters through thousands of very unequal school districts. The situation became near chaotic. The 1812 legislation had attempted to avoid this by establishing a Superintendent of Instruction. The first appointed, Gideon Hawley, carried out his assignment with such fervor that he developed many political enemies and the position was eliminated in 1821. This is a

lesson which has often been taught in ensuing years. While the power of the state appears to be absolute (within the constraints of the U.S. and N.Y.S. Constitutions), there are very real limits imposed on the exercise of that power by the tradition of local control.

An important step in overcoming the inadequacies of the common school and in improving the educational opportunities of rural children, was made in 1853 with the passage of Union Free School Law. Its purposes were to make secondary schooling available to children living outside cities and to reduce resource inequities by combining common school districts.

It was not until 1854 that the state again attempted to strengthen its ability to coordinate the highly decentralized system and to provide stimulation and leadership to areas which were lagging in their educational development. That year, an independent department of Public Instruction was created along with an office of Superintendent of Public Instruction to supervise it. This marked the beginning of the state's struggle, which continues today, to establish its primacy in educational matters.

Literacy was beginning to take on an economic dimension for increasing numbers of persons as industry (including agriculture)

expanded the scientific base of its operations. The shortage of knowledgeable artisans during the Civil War led the U.S. Congress to pass the Morrill Act in 1863 which created the nation's Agricultural and Mechanical (A&M) colleges. As vocationally oriented education gained, the appeal of "classical" education d'minished. Correspondingly, social, economic and political pressures mounted to improve the general quality of elementary education and to make secondary education accessable to more people.

High schools became more numerous as a result of the Union Free Law and the growth of cities, bringing conflict in administration between the Board of Regents and the Department of Public Instruction. To ease tension, the Unification Act of 1904 was passed. With this legislation, all elementary and secondary schools, colleges, universities, libraries, and museums were placed under the general supervision and governance of a single control board, the Regents of the Univeristy of the State of New York (which had become a constitutional body in 1895). The law endowed the Regents with the ability to enact rules which had the practical force of law with respect to any matter under its jurisdiction. It also created a new office, Commissioner of Education, appointed by and serving at the pleasure of the Regents; and abolished the administrative offices of the previous arrangement.

The state's supervisory capabilities were further strengthened by the first Commissioner who divided the territory of the state outside of cities into 208 supervisory districts and appointed to each a district superintendent of schools. This new officer was "a field representative to serve as intermediary and to assist him in carrying out many of his responsibilities," (State Education Department, December, 1973). A primary responsibility of the district superintendent was to encourage and to supervise the consolidation of nearly 11,000 districts. Subsequently, they were the prime movers in establishing Boards of Cooperative Educational Services.

The voluntary consolidation of common and union free school districts was permitted by the original central school law in 1914; but, only one such district was formed. In 1917, a mandatory approach was attempted which made towns the unit for the governance and support of schools.

> Its immediate effect was to cause tax rates to rise in the wealthy neighborhoods where school tax rates had been low and educational opportunities the highest. They succeeded in having the law repealed in 1918.
>
> After that no further effort was made to achieve direct reform of the system by eliminating the basic cause of resource inequalities, the granting of unlimited taxing power to small area school districts. (Burke, 1977, pp. 18-19).

Although some cities had been consolidated as a single school district as early as 1837 (e.g. Buffalo), there had been no attempt to develop a uniform state policy with respect to cities until 1917. Generally, cities had been seen as being perfectly competent to manage their own affairs without state supervision. The major emphasis of the 1917 law was to begin the disentanglement of city school districts from the municipal government (Pearson and Fuller, 1969). The law further attempted to pull together the numerous divergent statuatory provisions applicable to city school districts. The result was an entanglement between new proposals and the status quo, with confusion until the next attempt at clarification in 1950.

For New York City Schools, the period between 1860 and 1890 had been an era of peaceful expansion. During this period, small improvements were made to the organizational structure of the governing system, but the district boards which controlled the system remained the main structure until 1896. The ward system proved to be very unsatisfactory and little educational progress was made until it was eliminated in 1896.

Responding to the unique needs of the rapidly urbanizing area at the mouth of the Hudson River, the state legislature approved the Greater New York Charter of 1897. It provided for the consolidation of New York, Kings, Richmond and part of Queens

counties and the cities of Brooklyn and Flushing. At the same time, a Central Board of Education was created which was composed of 19 representatives from each of the boroughs. This board was to handle all school monies, appoint a school treasurer and establish a disbursing office. The powers of the 46 district boards were greatly reduced. They were to act only in an advisory and supervisory capacity. These five member district boards were appointed by the president of the borough in which they were located.

The Board of Education selected a city superintendent of schools and eight associate superintendents; these constituted the Board of Superintendents which appointed the district superintendents. The majority of the power lay with the Board of Superintendents; however, the Board of Education possessed by law the powers to establish and control a complex city school system. The 1917 city school district law granted more authority to the central board and the functions of the local boards were diminished further (Hooker and Mueller, 1970).

Except for occasional diversions, the principal focus of state government continued to be on rural areas. With the conclusion of World War I, the growth of the automobile as a means of transportation, and improved rural roads and other means of communication, the concept of consolidated schools gained

wider acceptance. In 1924 the legislature again attempted to put together an acceptable procedure for encouraging the consolidation of school districts. This time it was more successful with the Central Rural School Act. The legislation included four incentives for consolidation: 1) an equalization formula containing sparsity corrections; 2) transportation aid; 3) building aid; and 4) the continuance of aid received by component districts prior to centralization. This act permitted many rural areas to operate central schools providing a coordinated and relatively comprehensive instructional program in grades K-12 without prohibitive tax rates being assessed on local citizens. Beginning in 1935, during the depression, a further incentive to centralization was given by the Federal Public Works Administration which provided most of the cost of new buildings not met by state aid.

Initially, the centralization program was accomplished without statewide planning, but the need for such soon became apparent. As centralization rapidly advanced, two problems emerged from leaving the formation of districts and district boundaries to local initiative: some of the new central districts were still too small to be effective units; and, between the centralized districts, intervening areas had been left that could never become effective units without further consolidation. In 1946, a joint legislative committee designed a plan for

reorganizing school districts. Released in 1947, The Master Plan for School District Reorganization was not mandatory but served as a guide to the Commissioner in the reorganization process. If the plan had been fully implemented, the number of school districts in the state would have been reduced to 500.

Centralization was bringing a higher level of professional leadership to rural schools while reducing the number of local units under the district superintendent's supervision. As a result, the Commissioner of Education carefully reviewed each situation where a vacancy occurred, and, when advisable, discontinued the superintendency and merged the supervisory district with an adjoining one. The process reduced the number of district superintendents from 208 in 1933 to 44 today.

Even with centralization, many - perhaps most - school districts were too small to provide some specialized educational services efficiently. Responding to this need, the legislature passed the Intermediate District Law in 1948. Under this act, a group of central and union free districts could combine their resources with state incentive funds to provide for all districts involved the kinds of educational services that the individual districts could not provide alone. The philosophy behind the intermediate district law was that some services can be provided better for a large area and population than for a local unit. As

an interim measure, until intermediate districts could be formed, the law made it possible for each supervisory district to form a Board of Cooperative Educational Services to provide services to the local districts. These boards are fully dependent upon local school districts and special state sources to finance virtually all their operations. The district superintendent is the executive officer. The purpose of the legislation was expressed as follows:

> In order to improve educational opportunities in rural areas, by overcoming the handicaps in rural education that arise from sparsity of population and from other causes, and to provide an organization that will enable local school districts to combine their resources for the effective and economic provision of educational services, it is hereby declared to be the policy of the state that present school districts, except city school districts, cooperate in order that additional services, not feasible or available, may be provided for the children of the community. (New York Law, 1948, Ch. 8.61, Sec. 1).

The types of services which BOCES could provide were significantly increased in the years following. In 1958, they were authorized to offer special classes for physically handicapped and mentally retarded pupils as well as services of school psychologists. Small cities (under 125,000 population) and village school districts were permitted to become members of BOCES in 1963. Pupil and financial accounting services using mechanical equipment were permitted in 1964. In 1967, BOCES were

authorized to acquire real property and to lease facilities constructed for them by the State's Dormitory Authority subject to the approval of voters within the area served. This greatly facilitated the ability of BOCES to offer occupational education courses. In the mean time, no intermediate districts had been formed and the enabling legislation was repealed in 1972. BOCES had de facto become the intermediate educational unit of the state serving all but 21 districts. These 21 districts, however, are responsible for the education of approximately half of the children of the state. They include the "Big Five" cities which cannot join BOCES and 16 other districts, primarily small cities, which have refrained from joining. Ironically, although BOCES legislation had been intended to enhance educational opportunities in rural areas, in 1976 over half of the total expenditures made by BOCES were made by those serving suburban school districts.

Prior to World War II, suburban development was only beginning. City boundaries still reasonably reflected the extent of urban development. Since that war, cities have spilled out of their historic boundaries. Village populations have merged with city populations. Farmlands have been converted into residential neighborhoods, shopping centers, and industral complexes. As metropolitan areas grew in population and as technological developments permitted people to live further from their work,

higher income persons began to develop neighborhoods outside the central city which catered to their social and economic aspirations. As the primary cities grew older, the tempo of suburbanization increased. Technological advances made the aging industrial plants of the city obsolete; it was cheaper for businesses to relocate in suburban areas than to modernize existing facilities. New housing was also in the suburbs while housing in the central city aged and deteriorated. Since it is not economically possible to build new housing which the poor can afford without subsidization, the primary city became a ghetto of lower and lower-middle class socio-economic people of all ethnic groups. The suburbs, for the most part, became the place of residence of the middle and upper-middle classes.

The village population has merged physically with the city population, but its governance remains separate. Many former farm areas have become urban neighborhoods, but they are still governed as farm areas - politically separated from the communities of which they are functionally a part. This is even more characteristic of school government than it is of municipal government. The special accommodations granted through Central School Districts and BOCES to bring educational parity to backward rural areas , unintentionally subsidized the development of wealthy progressive suburban school districts and helped speed the decline of the core cities. By 1960 the plight of the core

cities was becoming apparent to even the most casual observer and the legislature slowly shifted its attention from rural problems to urban problems.

The state constitution was amended in 1950 so that city school districts with populations under 125,000 would be fiscally independent of the city government. The present City School Law was enacted the same year. Permission was granted in 1952 for these districts to become Enlarged City School Districts by consolidating with contiguous districts. In 1962, following recommendations of the Diefendorf Commission, most of the financial accommodations which had previously been granted only to Central School Districts were extended to all major districts. Thus for the first time, city school districts, including the Big Five (over 125,000 population), were entitled to receive transportation and building aid. They were also granted a special density correction. Subsequent acts have been designed to meet educational problems and conditions which are particularly characteristic of cities.

While sharing the problems of the smaller cities, the mere size of New York City compounded their complexity. The massive bureaucracy which had evolved in support of the educational enterprise had effectively insulated school officials from the community, making it exceedingly difficult to initiate change in

school policies from the grass roots. Crisis followed crisis and in 1969 the state legislature passed the Decentralization Act to make the system more responsive to its citizens. The act mandated major changes in the educational structure and created 31 districts within its political and geographic area. Each district is governed by an elected school board which has been granted explicit responsibilities in governance, curriculum, personnel and other matters. Powers not specifically granted to the Community Boards were vested in the City Board of Education, also elected.

Constitutionally, the educational system of the state is unitary under the jurisdiction of the legislature. Functionally, it is also unitary, being shaped by myriad forces. During the past 200 years, the legislature has been quite creative in first establishing a system of schools and then in revising it to meet new conditions. School district organization continues to evolve in response to changing social, economic and political conditions. Much progress has been made in consolidating rural and suburban school districts into effective units; but some work remains to be done. The state is blanketed with a system of intermediate districts which have the characteristics of both a temporary and a permanent structure; but the services of these districts are not available to half the pupils in the state, creating a degree of inequity. The most serious problems

confronting the state today appear to be in the finance and delivery of educational services in large city school districts and their surrounding metropolitan areas. The state has not fully come to grips with the concepts of megalopolis and metropolitanism. Yet, those terms describe the nature of the communities in which approximately 90% of the state's population resides.

Chapter IV

Economies of Scale in Education

Conclusions from studies on the economies of scale in education have taken a dramatic turn in recent years. From the beginning of this century through the 1960's, the overwhelming evidence seemed to support large school districts in terms of economies, the amount and diversity of teacher resources, and the higher caliber of professional and administrative personnel which they could attract. As researchers have begun to take into account total cost and socio-economic status of pupils, and to include additional criteria such as achievement, pupil self-image, and success in college, economies of scale appear to evaporate at very low numbers of pupils and diseconomies of scale become readily apparent.

The new emphases in research into the relationships between size and quality of schooling may have been a by-product of the disenchantment with large city schools in recent years. Chapter III pointed out how city educational systems had served through the 1950's as the standard for measuring the quality of

educational opportunities in rural areas. But in the 1960's and to the present, evidence of low cognitive pupil achievement, low attendance rates and high drop out rates have surfaced in these cities. This, coupled with their inability to use substantial federal and state funds to raise significantly the achievement levels of poor children, severely marred their image. Evaluations mandated by federal grants and other funding sources produced evidence that the social climate of schools and the interaction of pupils probably had a greater impact on achievement than did physical inputs such as facilities and class size. It was also discovered that city children (typically attending large schools) tended to have poorer self images than other children and were burdened with a sense of anomie.

School Size and Achievement

In 1966, the first results of the New York State mandated Pupil Evaluation Program were published. Specified achievement tests were administered to pupils in grades 3, 6 and 9. Pupils scoring within the first three stanine were classified as being "Below Minimum Competence". By definition, 23% of the state's student population would fall into this category. The results in 6th grade reading were typical. Of all city pupils, 29% fell in the "Below Minimum Competence" category. In New York City, 40% did; and in Buffalo, 39% did. For suburbs, only 15% of the

pupils were so classified; and for rural areas, 18% (SED, December 1967, p. 15). The better achievement of suburban youngsters could reasonably be attributed to their high average socio-economic status. Such would not explain the relatively high achievement of rural children, however, since their socio-economic status was similar to that of large city children.

Bidwell and Kasarda (1975), in their study of school achievement and organizational structure, suggest that district size has virtually no net effect on the reading and math achievement levels of students. A more critical factor is the variation in, or availability of, resources within the district. For example, quality of staff appears to more directly effect pupil output; but staff quality, in turn, is dependent upon money available and socio-economic characteristics of a district's population, not size of district.

Sher (1976) reported that, in six studies of district economies of scale, where economies do exist, they are generally in very small districts. What appears to be a relationship between cost and size may, in fact, be a relationship between cost and assessed valuation. Very small districts tend to have high valuations per pupil, a disincentive to consolidation.

Sher did observe, however, that the more highly educated a teacher, the more likely he/she would be to obtain a position in a consolidated or larger school system. Thus, better teaching is likely to occur in larger districts (if there is a link between length of teacher preparation and teaching effectiveness which is also being questioned at present). At the other extreme, it was noted that very large districts also experience a drop in potential efficiency because of a bureaucratic rigidity which is not compatible with creating a wholesome learning environment.

A study in Oklahoma by White and Tweeten (1973) estimated the optimal district size for a rural area to be 800 students when one measures just the financial cost in relationship to the quality of program. The preferable size drops to 675 when transportation costs are included. The study indicated that there is no difference in the operational costs of districts in the range of 400 to 1,000 students, but diseconomies arise as more students are required to be bussed to the schools.

Scott (1963) found that staff turnover is proportionally higher in small districts than in larger ones. This makes it difficult for the school to maintain a high level of efficiency as the faculty is more concerned with becoming familiar with each other, the students and instructional materials, than with developing an intensity and depth in teaching.

Barker and Gump (1964) concluded that the actual proportion of students who participate in the extracurricular activities which support the academic program and the quality and satisfaction of the students involved in these activities, clearly supports the small local school districts over the large consolidated schools. These researchers further concluded that although more varieties of subjects are available to students of the large school district, a given pupil participates in proportionally fewer of these electives than do the small-school students.

Soucy (1973) reported in a New York State Study that the bigness of a school district has an undesirable influence upon the development of certain personal attributes of students. Barker and Gump (1964) had drawn similar conclusions and added that in most large schools, leadership is dominated by just a few students, whereas in the small school proportionally more students take an active part.

Kiesling (1968) concurred with the Coleman Report (1966) in saying that the large size of a school district is negatively related to pupil achievement. Kiesling also suggested that twelfth grade level achievement improved in districts up to about 1,200-1,600 students. However, when the background of the child, the child's intelligence and school expenditure were controlled,

it was discovered that the relationship shifted from positive to negative.

A study by Turner and Thrasher (1970) found no significant difference in the Iowa test scores between small or large districts. They also found no difference in grade point average between graduates of small versus large schools in the freshman year of college. Of ten other studies of high school size reviewed by Sher and Thompson (1977), six indicated that size of high schools did not correlate significantly with college success. Only two studies found a positive correlation between size and success.

Burton Kreitlow (1971) in a 10 year longitudinal study in Wisconsin, documented how pupil achievement scores improved for a period after consolidation of several school districts. This high level of achievement did not seem to continue after the initial change, however.

Multiple regression analyses by the consultants of data for 1975-76 drawn from the New York State Education Department's Basic Educational Data System (BEDS) showed size (measured by average daily attendance) not to be a factor strongly related to school achievement. Median sixth grade reading score, percent below minimum competency in sixth grade reading, and dropout rate

were used as criteria. School size was a significant predictor only for percent reading below minimum competency. Here, large district size was associated with large percentages of poor readers. Area of school district was a significant predictor for both reading criteria. Large area was associated with high median reading scores and low percentages reading below minimum competency. Area of school district could well be an indicator of rurality. Neither size nor area were predictors of dropout rates. Most of the explained variance in dropout rates was accounted for by socio-economic indicators.

It would appear that, given present assumptions about how schools should be organized, either there is no relationship between size and quality of schooling, or that relationship is curvilinear. Given the latter condition, there is little agreement on optimal size.

School Size and Cost

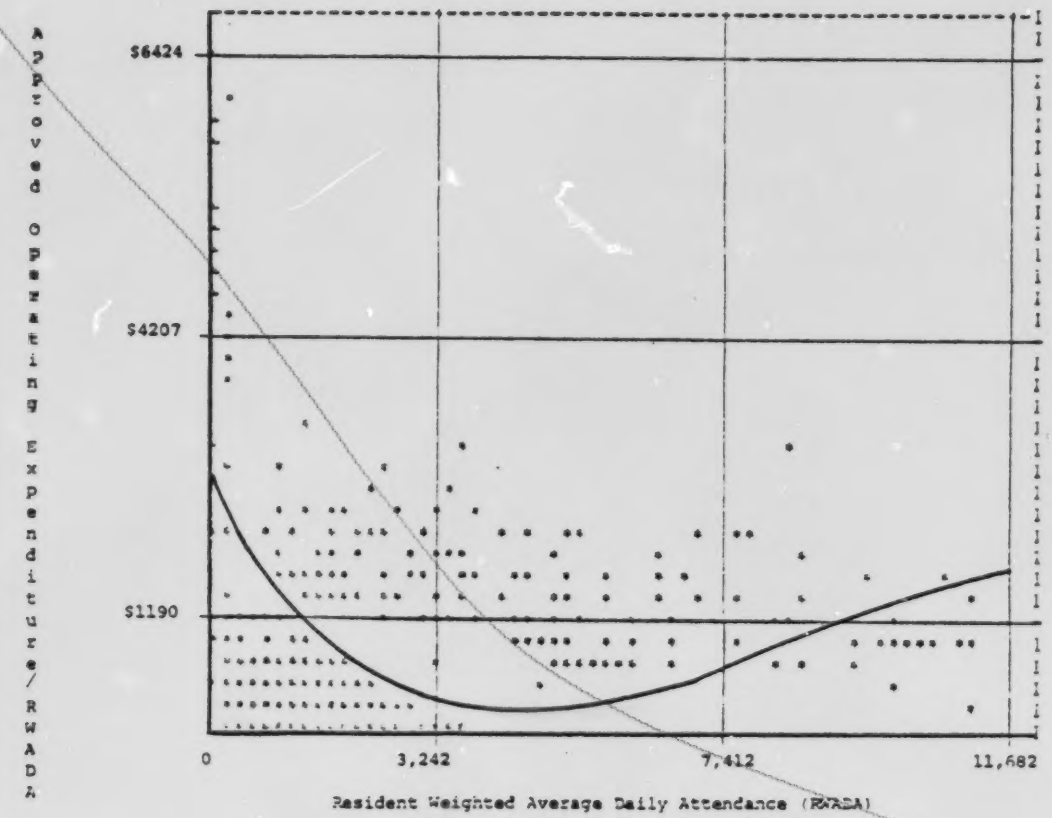
Soucy (1974) reported that the total expenditure per pupil (less cost of buildings) declines significantly when the enrollment increases to about 2,000 students, whereas economy as indicated by teacher/pupil ratios improves to about 1,500 students.

An analysis by the consultants of 1975-76 New York State financial data showed similar results. Total revenues/RWADA, total expenditures/RWADA and approved operating expenditures/WADA all declined as district size increased to about 3,000 pupils. Between 3,000 and 4,000 pupils there were no changes in the expenditures examined; above 4,000 pupils the items began to rise. Figure 4.1 shows the distribution between size (abscissa variable) and approved operating expenditure/RWADA (ordinate variable). The curve best depicting the distribution is also presented in the figure. The zero order correlation between expenditure and RWADA was r=.06. When corrected for the curvilinear relationship between the variables, the correlation increased to r=.22. The patterns for the two other financial categories were virtually the same.

The curvi-linear relationship which was found could be caused by factors other than size such as district full valuation/RWADA or district socio-economic status. Both factors are directly related to local revenue and expenditure items and, as noted later in this chapter, many small districts, but by no means all, are high on both factors. Multiple regression analyses between expenditures (approved operating and total) and demographic indices revealed that virtually all of the variation explained was explained by district full valuation/RWADA. The size of the district in square miles (perhaps an indicator of

Figure 4.1

Distribution & line of best fit of approved operating expenditure per pupil on size of district, New York State, 1975-76.



rurality) was associated with lower expenditures, but its influence was relatively small. School district size as measured by K-12 average daily attendance was not related to the expenditure measures.

In a nine state study of 577 districts for the school year 1958-59, researchers computed the optimum size figures in ADA for each state. Optimum was defined according to low per-pupil expenditures. The researchers concluded that even when considering only such a limited criterion, the "optimum" size of a district varies too greatly among states to make a generalization (James, Kelly and Garms, 1966).

An investigation in 1972 of 142 districts in Oregon revealed that as district size increases to nearly 51,000 in ADA, the cost per pupil on the average decreases; however, in the range of students between 40,000 and 60,000 ADA, the differences in cost were small (St. Louis and McNamara, n.d.).

Optimal Size

Conant's study of the American high school (1955) recommended a school with a minimum of 100 graduates per year (i.e., a district of approximately 1,500 pupils). The White House Conference on Education (1955) concluded that the minimum size

for a district should be 40 teachers and 1,200 pupils. The Conference further recommended a maximum district size of 10,000 pupils. Swanson (1966), using an instrument measuring quality of program offerings, observed that under existing conditions, the optimum school district size ranged from 20,000 to 50,000 in total community population (approximately 5,000-12,500 pupil population).

The Master Plan of 1958 in New York State envisioned the creation of districts with at least 700 pupils enrolled in grades 7-12 except in areas of very sparse population. In 1965, it was suggested that continued pressures would require the merger of all New York school districts with fewer than 2,000 pupils, and that an optimum of 5,000 would be a reasonable goal. The Fleischmann Commission (1972, p. 11.29) recommended 5,000 students as the minimum acceptable size of districts.

Evidence gathered in the Great Plains Study (1968) encouraged its researchers to recommend that school districts in sparsely populated areas have a minimum of 1,500 students. The study also stated that a district should enroll over 20,000 students in order to provide comprehensive programs and necessary support services with efficiency of organization and optimum economy. If a large district were not possible, the study recommended that an intermediate district should be created to meet the special needs

of the students. The New York SED has used 20,000 students as a minimum guide in laying out areas to be served by BOCES (SED, December 1973). The Great Plains Study further suggested that districts with more than 50,000 pupils give thought to decentralization.

In an Illinois study of school districts, Sabulao and Hickrod (1970) concluded that the unit school district experiences a greater economy of scale than do individual elementary and secondary districts.

Studies of size/quality relationship are legion. Fortunately they have been reviewed competently elsewhere and do not need to be reported further here to provide a sense of the conflicting results which have emerged. One of the most recent and comprehensive reviews was made by Educational Research Services, Inc. (ERS) in 1974 on both school size and school district size. They concluded:

> School district size, like school size, is not absolute; district size, too, is but one of many factors relating to educational quality and operational efficiency. Good education can and does occur in school districts ranging in sizes from small to large. Recommendations on district size in professional literature show the following ranges: minimum size--425 to 10,000; optimum size--9,800 to 50,000; and maximum size--10,000 to 40,000. (Educational Research Service, Inc., 1974, p. 49).

Twenty-six studies reviewed suggested a minimum district size. The median recommendation was 2,200 pupils.

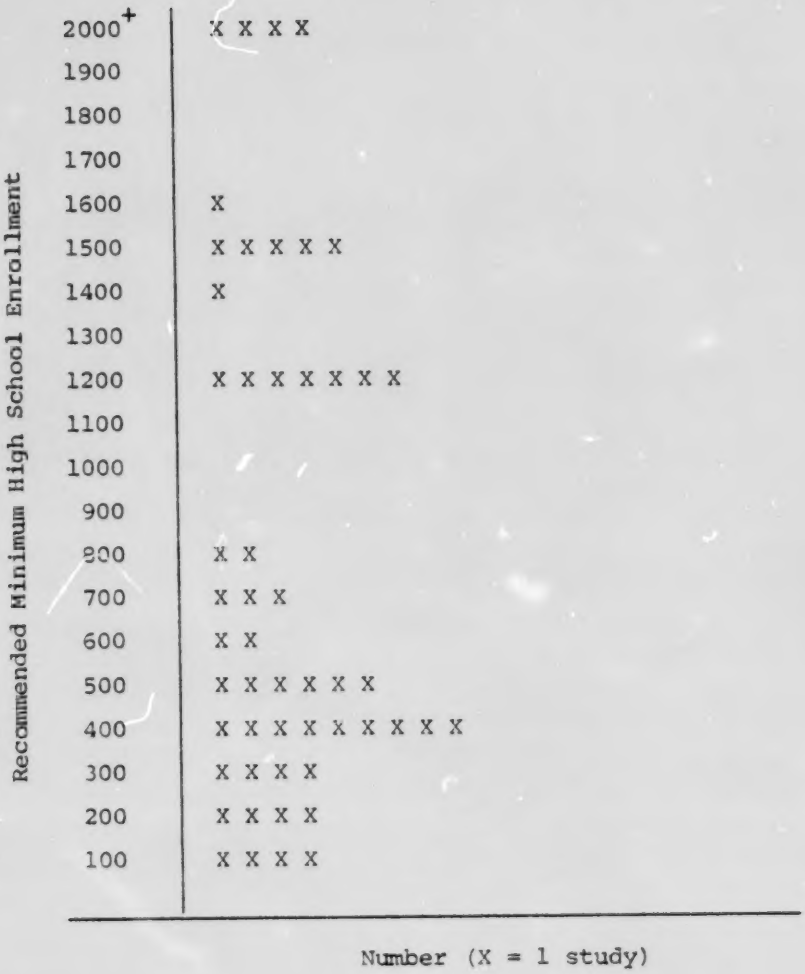
Nineteen studies were reviewed which suggested a minimum size for an elementary school; recommendations formed an approximately normal distribution with 300 pupils the median. The recommendations of the 53 studies of high school size formed a bi-modal distribution as shown in Figure 4.2, suggesting that the researchers were operating under more than one set of assumptions. The lower mode is 400 pupils. The upper mode is 1200. The overall median is 500.

Accepting the central tendency of these recommendations as a conservative guide to policy (see Glass, 1976), one would come up with a minimum school district of 1,500 pupils with a high school of 400 to 500 pupils and middle schools and elementary schools, each of about 500 pupils in size. The large high school option suggests a district of 4000 to 5000 with a high school of 1,200, one or two middle schools and three to eight elementary schools.

The studies reviewed by ERS date back to 1934. Several developments have taken place which may have already made the older findings irrelevant. Future developments were projected in Chapter II which may in time make all of the studies irrelevant.

Figure 4.2

Distribution of recommended minimum size of high schools by studies reviewed in: Education Research Service, Inc., Summary of Research on Size of Schools and School Districts (Arlington, Virginia: Education Research Service, Inc., 1974).



The progress of centralization has already eliminated virtually all of the one room school districts against which studies in the early part of the century were directed. The intermediate service district, a recent development, also strongly affects the magnitude of the recommendations; it makes a great deal of difference whether one is contemplating a comprehensive high school or an academic high school supplemented with a regional service center. This may account for the previously observed bi-modal distribution of high school size recommendations. Knezevich (1969), for example, recommended a minimum district size of 10,000 pupils. This drops to 2,400 if the district is part of an intermediate district.

Developing technology is another factor which may cause recommendations to change. It was the invention of the automobile and the improvement of rural roads which made massive consolidations feasible, if not necessarily desirable. The development of electronic media, including the computer as well as television, telephone and radio, have now made it possible to disseminate a variety of high quality stimuli to a number of centers. Coupling these technological developments with emerging theories in individualized instruction and a greater use of community based resources may greatly reduce the size of schools required to provide a satisfactory learning environment.

Studies of size have generally made an assumption that the variety of programs identified by separate classes truly measures diversity of opportunity for learning. This can be a fallacious assumption. Compare, for example, the one room school house to the comprehensive high school. In the one room school house, one teacher served 30 or more students at different grade levels and taught a variety of subjects. Older children helped younger children, and a great deal of the learning was done independently. The diversity in program was derived simply from the diversity of the children and the flexibility of tne teacher. But one cannot say that because one teacher was grouped with 30 children that only one program existed.

With the comprehensive high school, however, the assumption is made that the greater the number of program offerings, the richer the program for the student. Yet, just the opposite may be true. With size comes specialization and more rigidly defined curricula. Learning becomes compartmentalized into departments and special topics or courses within departments. Once size forces departmentalization and specialization within programs, then organizational constraints do indeed require a greater number of programs to provide enrichment. A large school may offer more "pieces" of an educational program. But if the pieces are standardized, they may also be fragmented. When education is offered as a series of fragments, more fragments are indeed

needed to build understanding of a broader picture. In this context, a greater variety of "programs" might be necessary for "quality" education.

It is obvious that if there are no pupils in an area, no schools or programs are needed. The entire concept of district and regional consolidation is essentially based on the need to concentrate the number of pupils available into larger units so that schools and programs can be expanded at reasonable cost. Concentration of population affects both program and economies of scale. Consequently, both district consolidation and regionalism can be seen on a demographic continuum.

While regionalism was initially a response to the problem of population sparsity in rural areas, the problem is no longer that simple. As previously noted, over half the BOCES facilities in existence in New York State serve small cities and suburbs of large cities. It is apparent that with rising standards, even in areas of relatively dense population, a need for regional cooperation exists. However, this expansion of BOCES might obscure the fact that population sparsity still operates as a limiting factor in large areas of the state. Table 4.1 shows that 389 of the state's 736 districts in 1973 had enrollments of less than 2,000 pupils. It is worthwhile, then, to investigate the possibility that within the current structure of BOCES and

Table 4.1

NUMBER OF SCHOOL DISTRICTS BY SIZE OF DISTRICT

1973

Fall Enrollment	Number of districts[a] 1973
Public School Districts	
Over 100,000	1
50,000 - 99,999	1
25,000 - 49,999	3
10,000 - 24,999	38
5,000 - 9,999	88
2,000 - 4,999	216
1,000 - 1,999	187
500 - 999	101
200 - 499	61
1 - 199	40
Total Public School Districts	736
Boards of Cooperative Educational Services	46

[a]Operating districts only.

Source: Annual Educational Summary Statistical and Financial Summary of Education in New York State. The University of the State of New York/The State Education Department. Information Center on Education, Albany, N.Y. 1974.

school districts, that the initial problem of population sparsity in rural areas may still be operating to create unique problems which remain untouched.

In very sparse areas, it may not be possible to concentrate populations sufficiently to provide what might be considered an adequate variety of programs without causing undesireable travel times or resorting to boarding schools or expensive means of transportation, i. e., airplane or helicopter. But, there appears to be a genuine option emerging which would eliminate any relationship between district size and school quality. This option is the individualization of instruction discussed in Chapter II. There, the progress being made in the development of learning theory, curriculum theory and educational technology was noted. It was projected that with continued progress, genuine individualization of instruction in natural settings at affordable prices should be possible within a decade. These developments and their implications are discussed in greater detail in Occasional Paper No. 28 (Nelson, 1978).

It is quite conceivable, and indeed some evidence supports it, that quality of education, and hence equality of educational opportunity, might better be measured by an entirely different aspect of the learning environment than the size of the school or the number of course listings. It more likely lies in the

quality of the interaction between teacher and student and the flexibility governing that relationship. (See: Sher and Tompkins, 1977; Bidwell and Kasarda, 1975; Thompson, 1968; Shafer and Olexa, 1971; Rist, 1970; Freeman and Kronenfeld, 1973. The Catskill Area Project, 1957-61, was a pioneering effort in New York State to design small schools capable of meeting the individual needs of students (Central School Boards Committee for Educational Research, 1961)). From a policy standpoint, it would seem preferable for the state to concentrate its resources on a massive research and development effort to hasten the perfecting of individualized instructional systems than to spend them on forcing school district consolidation where the gains may be mixed and probably only temporary. At best, a policy of forced consolidation might benefit a few children whereas a policy to promote individualized instruction would benefit all the state's children regardless of the size of the district in which they live.

Disincentives to Consolidation

A substantial portion of small districts are not located in sparsely populated areas, but are in the heart of major metropolitan areas. These tend to be districts with very favorable (large) tax bases relative to the number of children, permitting them to support very expensive educational programs at

low tax rates. Appendix B lists the 72 districts in the state with WADA under 500 pupils. Twenty-four of those districts are located in metropolitan counties, nineteen having property full value per pupil in excess of $100,000 - the highest exceeding $1,000,000. Thirty-three districts of the total group do not operate a high school; 20 of those are in metropolitan counties. Appendix C lists the 62 districts in the state with property full value per pupil in excess of $100,000. Thirty-seven have WADA less than 1,000; forty-five less than 2,000. Twenty-one do not operate high schools. Forty-one are located in metropolitan counties; fifteen of those do not operate a high school.

Burke (1977, p. 20) has attributed the high expenditures in New York State relative to other states in large measure, to "the ability of such high wealth school districts to tax at unlimited rates."

> The continued existence of small subdivisions of towns with unlimited power to tax for school purposes is still a fundamental weakness affecting public school finance within the state. (Burke, 1977, p. 20).

These enclaves have effectively opposed consolidation over the years because it would average their wealth over a larger area destroying their tax and other economic advantages.

The inequities to which Burke refers are illustrated in Table 4.2 which shows that 58% of the districts with valuations per resident weighted average daily attendance (RWADA) in excess of $100,000 have fewer than 1500 RWADA; 32% have fewer than 500 RWADA. Total expenses/RWADA are consistently below state average for districts with fewer than 1,000 RWADA and full valuation/RWADA less than $75,000. For the same size group with full valuation/RWADA above $75,000, total expenditures/RWADA are well above state average. The average total expenditure for the 24 districts with RWADA below 500 and full valuation above $100,000 is $3,931 compared to the state average of $2,070. A similar pattern holds for approved operating expenditures and total tax levy. For district full value tax rate, there is quite a different pattern. The average tax rate for districts with RWADA less than 1,000 and for all wealth categories except the poorest are below state average.

The economic advantages enjoyed by many small districts can and should be eliminated, but it is not necessary to consolidate to do it. The advantages of tax enclaves can be eliminated through a general aid formula of the power equalizing variety (including a provision for recapture) or through full state funding. Perpetuating state aid excesses can be stopped through the gradual removal of save-harmless provisions. Technological advances and the availability of BOCES services probably have

Table 4.2

Mean value of selected financial measures
for New York State school districts grouped
by size & full property valuation per resident weighted average daily attendance,
(RWADA), 1975-76

Financial Item / Size Category	Category of Full Valuation per RWADA											
	$10,000-$24,999		$25,000-$49,999		$50,000-$74,999		$75,000-$99,999		$100,000 & over		Total	
	#	Mean	#	Mean	#	Mean	#	Mean	#	Mean	#	Mean
Total Expenses/RWADA												
Under 500	11	$1760	10	$1879	7	$1934	5	$2309	24	$3931	57	$2758
500 - 999	28	1659	49	1758	9	1898	6	2403	9	2304	101	1830
1000 - 1499	24	1700	48	1779	14	2224	4	2944	11	2548	101	1951
1500 - 1999	29	1713	42	1736	5	2118	5	2731	8	3034	89	1919
2000 - 4999	32	1683	115	1849	32	2288	20	2725	17	2965	216	2056
5000 - 9999	1	1728	49	1978	25	2292	9	2730	6	2999	90	2305
10,000 and over	1	2063	29	2050	5	2230	3	2607	1	2123	39	2102
Total	126	1696	342	1845	97	2204	52	2648	76	3130	693	2070
Approved Operating Expense/RWADA												
Under 500	11	1508	10	1601	7	1787	5	1987	24	2370	57	2373
500 - 999	28	1385	49	1478	9	1604	6	1999	9	1974	101	1939
1000 - 1499	24	1397	48	1489	14	1884	4	2554	11	2284	101	1852
1500 - 1999	29	1434	42	1445	5	1868	5	2475	8	2577	89	1491
2000 - 4999	32	1405	115	1547	32	2081	20	2484	17	2638	216	1761
5000 - 9999	1	1388	49	1694	25	2004	9	2418	6	2546	90	1906
10,000 and over	1	1814	29	1790	5	1880	3	2116	1	1983	39	1832
Total	126	1415	342	1558	97	1915	52	2342	76	2723	693	1769
Total State & L/RWADA												
Under 500	11	1234	10	1141	7	1838	5	827	24	686	57	926
500 - 999	28	1307	49	1162	9	913	6	749	9	574	101	1104
1000 - 1499	24	1313	48	1134	14	756	4	751	11	706	101	1042
1500 - 1999	29	1239	42	1139	5	800	5	598	8	700	89	1115
2000 - 4999	32	1291	115	1089	32	741	20	630	17	665	216	906
5000 - 9999	1	1347	49	1098	25	813	9	614	6	631	90	917
10,000 and over	1	1311	29	993	5	736	3	647	1	671	39	934
Total	126	1303	342	1099	97	803	52	664	76	667	693	1015
Total Tax Levy/RWADA												
Under 500	11	448	10	648	7	949	5	1389	24	3043	57	1719
500 - 999	28	337	49	514	9	934	6	1486	9	1629	101	659
1000 - 1499	24	370	48	582	14	1398	4	2121	11	1772	101	830
1500 - 1999	29	347	42	538	5	1235	5	2008	8	2111	89	738
2000 - 4999	32	368	115	707	32	1454	20	2020	17	2256	216	1011
5000 - 9999	1	378	49	876	25	1431	9	2039	6	2288	90	1239
10,000 and over	1	714	29	1002	5	1429	3	1716	1	1431	39	1114
Total	126	366	342	689	97	1337	52	1990	76	2337	693	998
District Full Value Tax Rate												
Under 500	11	23.45	10	17.70	7	15.63	5	15.84	24	13.38	57	18.60
500 - 999	28	16.72	49	15.45	9	15.26	6	18.05	9	12.77	101	15.70
1000 - 14999	24	17.68	48	16.35	14	21.02	4	24.97	11	12.79	101	17.35
1500 - 1999	29	16.71	42	16.77	5	22.32	5	24.37	8	13.41	89	17.37
2000 - 4999	32	17.54	115	19.59	32	23.20	20	24.03	17	17.72	216	20.09
5000 - 9999	1	17.51	49	23.94	25	24.73	9	24.05	6	19.91	90	22.84
10,000 and over	1	29.42	29	25.38	5	23.89	3	21.31	1	13.36	39	24.68
Total	126	17.80	342	19.28	97	23.01	52	22.50	76	14.92	693	19.16

eliminated most, if not all, justification for sparsity corrections other than transportation aid.

Nothing in this chapter should be construed as favoring smallness or largeness in school districts. As the nation moved toward mass education in the early part of the century, large districts appeared to have substantial advantages over small districts. By mid-century, large districts began to display serious - almost critical - weaknesses. During the past decade, as evaluation techniques and learning theories have become more sophisticated, previously unrecognized advantages of small schools and districts have been observed. With the advent of individualization of instruction, the issue of size will become less important. What this Chapter does suggest is that the evidence concerning relationships between size and school effectiveness is too mixed to support either a policy of consolidation or decentralization. By the same token, the evidence is also too weak to justify size corrections per se in any revision of the state aid formula for school districts.

Chapter V

An Analysis of BOCES Aid and Expenditures

From 1948, when BOCES were first authorized, state aid in support of BOCES services steadily increased to $143,000,000 in 1975-76 and now constitutes 4.7% of total state aid. This amount appears relatively insignificant compared to the more than $3 billion paid by the state in total aid for elementary and secondary education; however, the impact of BOCES aid is not distributed evenly over all districts. The percent of instructional expenditures made through BOCES range from zero in the twenty-one districts not belonging to a BOCES (and enrolling approximately half of the state's school children) to 36%. For districts relying on BOCES for a substantial portion of their instructional programs, the nature of BOCES financing is critical and is bound to affect their fiscal strategy. The purpose of this chapter is to look at BOCES aid and expenditures as presently constituted in relation to selected district characteristics. Characteristics of particular interest are district size and district wealth.

BOCES Expenditures

Table 5.1 summarizes expenditure data for the 45 BOCES based on 1976-77 budgets. Examination reveals a remarkable range of total budgets and costs per pupil served. Nassau BOCES towers above all others with a budget of nearly $43 million. Greene 1 is the only BOCES with a budget under one million dollars. Nassau BOCES also serves the largest number of pupils in occupational and special education (5,775 and 2,775 respectively). Erie #1 is second in the number of pupils served (3,615 occupational and 2,926 handicapped) although its budget is only fifth largest, a little more than one quarter of the Nassau budget. Costs per handicapped pupil served range from $1,605 in Cortland County (510 pupils) to $5,808 in Westchester (683 pupils). For occupational education, costs per pupil (exclusive of home school costs) range from $938 in Madison County (1,077 pupils) to $2,078 in Greene 1 (109 pupils).

The proportion of the total BOCES budget represented by administrative costs exclusive of rent and payments to the Dormitory Authority, range from 2.6% in Broome BOCES to 9.4% in Suffolk 1. The state average is 6.0%. Rent and Dormitory Authority payments range from 26.2% in Tompkins to less than 1% in Madison and Steuben. The state average is 10.3%.

Table 5.1

1976-77 Budget Summary For
Boards of Cooperative Educational Services[1]

Name of District	Total Budget	Handicapped		Occupational		Percent Administrative Costs	Percent Payments for Rent and to Dormatory Authority
		Enrollment	Cost per pupil	Enrollment	Cost per pupil		
Albany	$ 8,882,378	644	$3931	2103	$1340	4	10
Allegany	2,352,232	175	2457	754	990	9	1
Broome	4,793,741	522	2527	1272	1008	3	1
Cattaraugus	3,194,962	322	2301	1081	950	8	14
Cayuga	2,845,399	273	2050	809	1158	7	3
Chautauqua	5,656,219	490	2802	1119	1184	7	22
Clinton	3,822,477	102	2477	794	1320	7	19
Cortland	2,340,320	510	1605	509	1101	9	10
Delaware	3,490,180	220	2804	1008	1001	9	13
Dutchess	5,371,994	328	3447	1351	1141	6	12
Erie #1	11,692,908	2926	2003	3619	1061	4	6
Erie #2	3,892,319	580	2312	1114	1140	5	6
Franklin	2,370,037	226	2028	722	1159	6	17
Genesee	2,521,218	285	2538	754	1 17	7	2
Greene #1	729,037	67	3012	109	2678	5	2
Greene #2	2,604,529	312	2196	510	1212	9	2
Hamilton	1,847,856	193	2253	484	1431	7	7
Herkimer	3,341,760	371	2188	671	1300	8	19
Jefferson	5,207,952	358	1591	1328	1098	6	10
Livingston	2,413,961	219	2311	923	1141	5	3
Madison	2,578,818	130	2833	1077	938	7	1
Monroe #1	11,212,514	1036	5386	1298	1823	4	6
Monroe #2	5,366,128	631	1691	1337	1159	6	14
Nassau	42,774,000	2778	6484	5775	2048	5	10
Oneida	3,872,181	319	2866	849	1300	8	22
Onondaga	6,059,171	397	2934	1379	1364	7	13
Ontario	5,374,005	748	2579	1671	1097	5	2
Orange	4,848,613	483	3015	1375	1231	5	12
Orleans	8,353,180	408	3125	1317	1225	5	24
Oswego	3,405,872	338	2384	1350	1042	9	1
Putnam	13,511,210	1367	4834	1786	1788	7	6
Rensselaer	4,549,368	524	3152	823	1254	5	12
Rockland	9,714,328	721	5311	1363	1677	6	7
St. Lawrence	1,436,784	331	1906	1333	1167	3	8
Saratoga	3,494,134	312	2880	1174	1150	6	1
Schuyler	3,880,333	490	1808	1444	1262	3	2
Steuben	3,431,047	78	2290	NA	NA	8	1
Suffolk #1	4,367,982	281	5749	599	1839	9	10
Suffolk #2	21,329,227	1122	5711	2305	1585	6	13
Suffolk #3	17,391,448	1521	4173	2986	1800	5	4
Sullivan	3,424,284	176	3750	337	1423	4	24
Tompkin	3,046,758	451	2408	631	1090	9	26
Ulster	3,788,870	115	3170	730	1231	9	18
Washington	3,356,698	313	3754	1073	1815	8	1
Westchester	10,481,560	683	5808	978	2017	8	5

[1]Source: Bureau of School District Organization, New York State Education Department

Disparities of such magnitude raise the question, "Why?" To provide some insight as to possible causes for the variations in per pupil costs for occupational education and for programs for handicapped children, a stepwise multiple regression analysis was made with the two cost factors serving as dependent variables. Eighteen independent variables were examined including enrollments in the respective programs and average statistics for component districts such as approved operating expenditure per WADA, measures of teachers' salaries, square miles in district, enrollment of full valuation/RWADA and measures of socio-economic status. Of these, average approved operating expenditure/WADA of component districts explained 85% of the variation in the cost of BOCES programs for handicapped children and 76% of the variation in the cost of occupational education programs. None of the other independent variables examined improved the prediction of the cost of handicapped programs. For occupational education costs, an additional 3% of the variances (for a total of 79%) was explained by percent of families with income over $25,000. All regression coefficients were positive indicating direct relationships.

Since average approval operating expenditures/WADA for component districts was such an effective predictor of BOCES expenditures, a stepwise multiple regression analysis was made of factors which might explain variations in that statistic. Three

were found to explain 87% of the variance: percent of district residents employed as business and professionals (65% of the variance); full valuation/RWADA (14% of the variance); and average square miles in component districts (7% of the variance). The latter factor had a negative regression coefficient; the others were positive. A parallel analysis using the school district as the unit of analysis rather than BOCES, explained only 13% of the variation in approved operating expenditures/WADA. Full valuation/RWADA explained 6% of the variance and percent of families with incomes under $5,000 explained an additional 7% of the variance. The regression coefficient of the former was positive and of the latter, negative.

In both analyses, the largest proportion of the variation in approved operating expenditures/WADA was made by a measure of socio-economic status. The wealthier the district's residents, the higher is its per pupil expenditures. The next most effective predictor was full valuation/RWADA. This index is not necessarily an index of socio-economic status as often supposed. While high socio-economic status communities tend to have high property valuation, so do industrial enclaves and resort areas which tend to be populated by persons of low socio-economic status. The average square mile factor is probably an indicator of rurality and is associated with low expenditures.

BOCES Aid

A major function of state aid is to "equalize" the tremendous differences which exist among school districts in student needs, financial ability, and demographic and geographic characteristics. The legislation creating BOCES and BOCES aid expressed its purpose as making possible for rural school districts which tended to be small and poor the provision of educational opportunities comparable to that provided elsewhere in the state. The zero-order correlations reported in Table 5.2 suggest that the financial objectives, at least, have been only partially realized. Shown are relationships between items of expenditures and state aid with full value/RWADA as an indicator of ability and RWADA as an indicator district size.

The state aid correlates negatively with full value/RWADA according to design, but perhaps not as strongly as one would hope ($r = -.22$). Only about 4% of the variation in state aid paid to school districts is explained by the ability measure. BOCES aid bears no appreciable relation to ability, but it does bear a moderate relationship to size of district, explaining about 10% of the aid variation ($r = -.35$). Generally, there is a slight tendency for small school districts to receive higher state aid payments/RWADA than do large districts ($r = -.13$), but the tendency is not as strong as for BOCES aid alone.

Table 5.2

Zero-Order Correlations of School District Wealth (Full Valuation) and Resident Weighted Average Daily Attendance (RWADA) with Revenue Received and Expenditures for BOCES Services

(1975-1976)

Expenditure & Aid Items/RWADA	Full Value/RWADA	RWADA
Total state aid	-.22	-.13
BOCES aid	.02	-.35
Total federal aid	.05	-.02
Total revenue	.06	-.06
Expenditure for BOCES services	.13	-.27
Total expenditure for BOCES	.16	-.28
Percent of general fund for BOCES	-.02	-.41
Full valuation	1.00	-.05

There are slight tendencies for more financially able districts and for smaller districts to spend more per pupil for BOCES services than do less able and larger districts ($r = .13$ and $r = -.27$ respectively). Both relationships are weak, but in the direction one might expect. The strongest relationship shown in the table is between the percent of the general fund spent for BOCES and size of district ($r = -.41$) indicating that the smaller the district enrollment, the greater the reliance upon BOCES services.

Figures 5.1 and 5.2 provide further detail on the relationships between district size and BOCES aid and BOCES expenditures, respectively. They both reveal curvilinear relationships. When an appropriate correction is made, the zero order correlation between BOCES aid and size is increased from $r = .35$ to $R = .45$, and between BOCES expenditure and size, from $r = .28$ to $R = .43$. The curve of best fit for BOCES aid and size drops steadily from about $120 per RWADA to $50 per RWADA as district size increases to about 5,000 RWADA. The descent of the curve of best fit is similar for the distribution of total expenditure for BOCES services per RWADA and size (dropping from $300 per RWADA to $75 per RWADA); interestingly, however, it begins to rise at about 6,000 RWADA, but does not again reach the average for the overall distribution ($165 per RWADA).

Figure 5.1

Two Way Distribution between BOCES Aid/RWADA and Resident Weighted Average Daily Attendance (RWADA) showing the Curve of Best Fit.

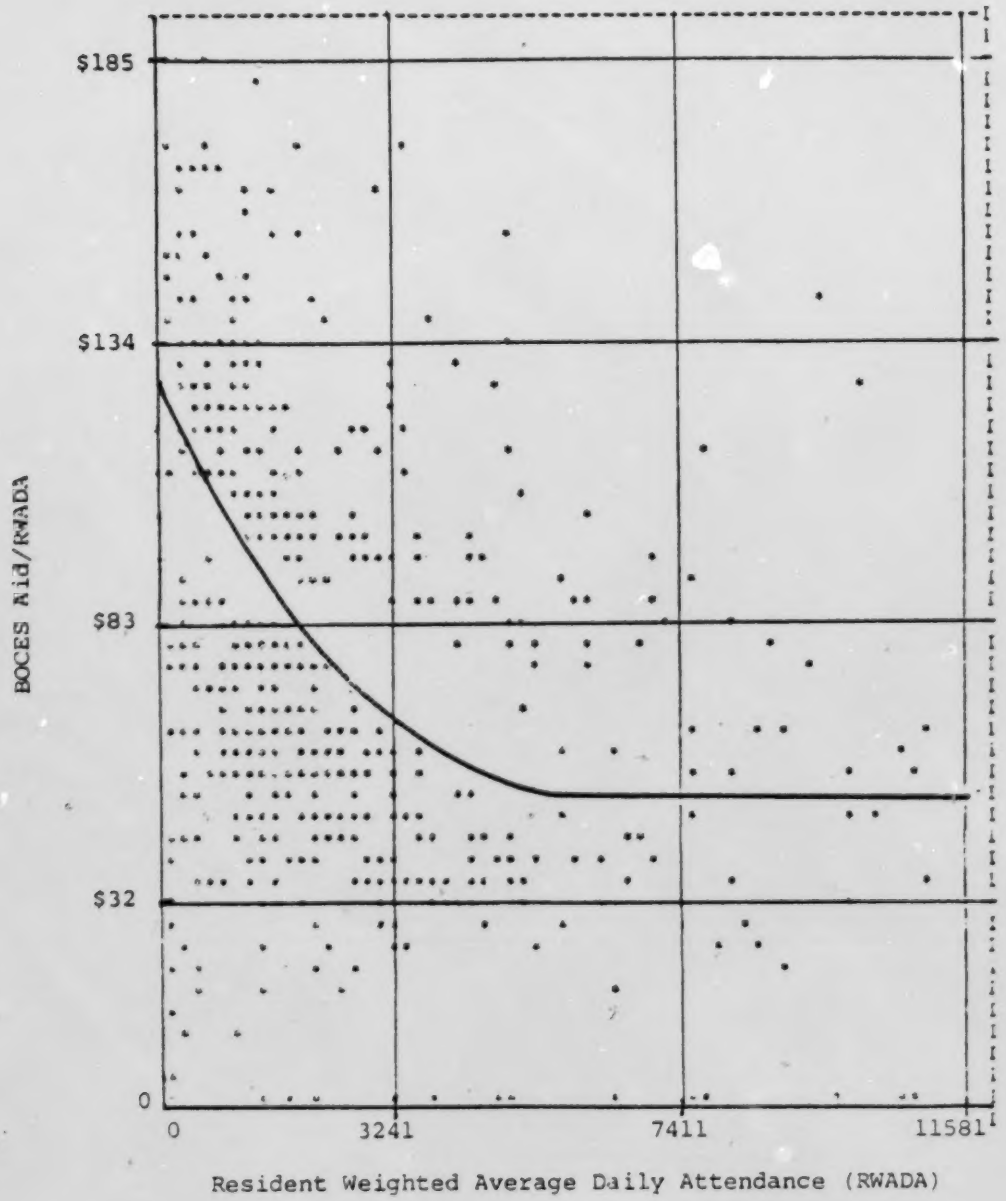
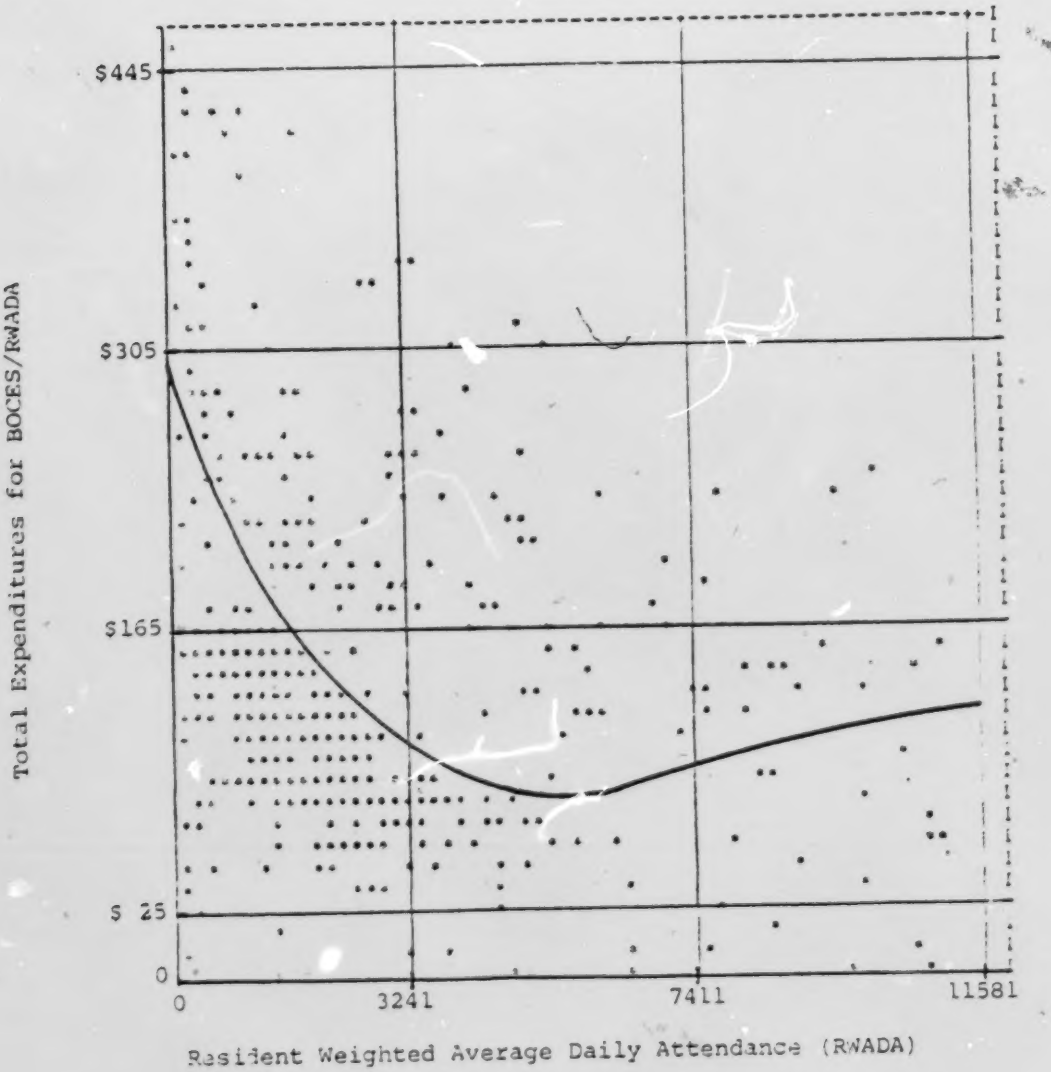


Figure 5.2

Two Way Distribution between Total Expenditure for BOCES/RWADA and Resident Weighted Average Daily Attendance (RWADA) showing the Curve of Best Fit.



These statistics and distributions suggest that small districts do take advantage of BOCES to a greater extent than do large districts and thus receive a relatively larger portion of the available aid. BOCES aid does not equalize for variation in financial ability, however. Wealthy districts tend to purchase more BOCES services than do poor districts, but poor districts make a larger proportion of their expenditures through BOCES. The net effect of BOCES and BOCES aid is probably to retard district consolidation in that it enables small districts to supplement academic programs in ways which they might otherwise be unable to afford.

The equalization objective of BOCES aid has not been met because of the policy of permitting aid to be paid on the basis of two formulas: one which works to the advantage of poor districts and one which works to the advantage of rich districts. The equalizing formula (favoring poor districts) is similar to the one used to determine the aid ratio for general aid between 1962 and 1974 and to the one still used to determine the aid ratio for capital expenditures. For both formulas, the statue places a limit on salaries which are reimbursable (currently $9,500). Also, a program must first be approved by the Commissioner before it qualifies for aid.

Formula 1.

$$\text{BOCES Aid} = \text{Approved Cost} \times \text{Aid Ratio (A.R.)}$$

where

$$\text{A.R.} = 1.00 - .51 \times \frac{\text{District Full Valuation/RWADA}}{\text{State Full Valuation/WADA}}$$

The statue guarantees an aid ratio of at least 36%, but places an upper limit of 90%. The formula which is generally more favorable to wealthy districts bases aid on tax rates rather than valuation.

Formula 2.

$$\text{BOCES Aid} = \text{Approved Costs} - \text{Approved costs} \times \frac{8 \text{ mills}}{\text{District Full Value Tax Rate}}$$

The Legislative Commission on Expenditure Review (LCER, June 30, 1976, p. 20), examined the impact of this dual formula and concluded:

- A wealthy district may receive a higher percentage of BOCES State aid than a poor district.
- There is a greater financial incentive for a wealthy district to participate in BOCES.

Two of the statistics examined by LCER are reported in Table 5.3, the percents state aid represent of actual facilities costs and of services and administrative costs. Also reported is the average aid ratio computed under Formula 1 and the average full valuation/RWADA. BOCES are listed in descending order on the full value statistic. The aid ratio can easily be converted to a percentage by multiplying by 100. When this is done, it can be seen that with few exceptions, the actual percent of aid paid to the wealthier BOCES, especially for services and administration, is considerably higher than Formula 1 alone would permit. The converse is true for the poorer BOCES.

Another way of studying the inter-relationships of the three ratios is with a matrix of their zero-order correlations. This is reported in Table 5.4. Average full value/RWADA is not included in the matrix because its relationships are identical to those of the Formula 1 aid ratio. All of the ratios are positively related indicating that, overall, districts in poorer BOCES receive a larger percentage of aid than do districts in richer BOCES; however, the amount of variance explained by full valuation/RWADA (BOCES aid Ratio), while substantial, is by no means total. The full value statistic can only explain about half of the variance in percent facilities aid and one-quarter of the variance in percent services and administration aid.

Table 5.3

Average for Component Districts of BOCES Aid Ratio and Percents Facilities Aid and Services Aid are of Expenditures. (BOCES are arranged in descending order of Average Full Value/RWADA.)

Name of BOCES	Average Full Value per RWADA 1975-76	Average BOCES Aid Ratio (unconstrained) 1975-76	Percent Facilities aid[a] 1974-75	Percent Services and Administrative aid[a] 1974-75
Suffolk I	142,293	-.27	6	50
Westchester	91,268	.19	11	58
Sullivan	71,638	.36	38	58
Putnam	70,731	.37	16	59
Nassau	68,721	.39	43	59
Rockland	62,135	.45	47	60
Orange	55,348	.51	35	56
Albany	54,099	.52	46	56
Washington	53,386	.52	54	64
Greene	51,143	.54	61	56
Ulster	49,587	.56	59	56
Clinton	48,655	.57	64	69
Duchess	46,649	.58	46	61
Suffolk III	44,121	.61	38	64
Monroe	43,419	.61	42	64
Erie	39,483	.65	62	60
Rensselaer	38,721	.66	54	64
Suffolk II	37,815	.66	45	64
Delaware	37,372	.67	61	66
Onondaga	35,029	.69	68	66
Hamilton	34,928	.69	71	63
Ontario	34,842	.69	63	61
Franklin	33,975	.70	65	65
Livingston	33,855	.70	71	63
Tompkin	33,083	.71	55	60
Chautauqua	32,566	.71	69	62
Saratoga	30,863	.73	74	67
Oswego	30,335	.73	72	70
Broome	29,971	.73	53	62
Jefferson	29,696	.74	69	62
Cortland	29,010	.74	74	60
St. Lawrence	28,879	.74	63	65
Herkimer	28,357	.75	61	61
Orleans	28,119	.75	68	62
Schuyler	27,295	.76	61	60
Genesee	26,834	.76	64	63
Cattaraugus	26,902	.77	73	73
Steuben	25,520	.77	63	63
Cayuga	24,642	.78	75	68
Allegnany	23,913	.79	78	61
Madison	25,566	.79	78	70

[a] Source: Legislative Commission on Expenditure Review, Boards of Cooperative Educational Services Finances, (Albany: The New York State Legislative, June 30, 1976), pp. 18-19.

Table 5.4

Zero-Order Correlations between Full-value Aid Ratio & Percents of Aid for Facilities & Services & Administrative Costs

Items	Correlations 1	2	3
1. BOCES Aid Ratio (Full Valuation/RWADA)	1.00	.71	.52
2. Percent Facilities Aid		1.00	.61
3. Percent Services & Administrative Aid			1.00

Similar, but more dramatic results were obtained by LCER when it made an analysis at the district level. A sample of 27 component districts were drawn from the Allegany, Oswego, Steuben, Suffolk 2, and Sullivan BOCES, (Legislative Commission on Expenditure Review, June 30, 1976, pp. 21-23). Percentages of expenditures aided through both BOCES and local operating aid are presented in Table 5.5 for the districts grouped according to full valuation/RWADA. For the districts with low wealth per pupil, BOCES aid (72%) was 17 percentage points less than the aid received on local operating expenditures (89%). The aid received by wealthy districts for BOCES expenditures (57%) was 22 percentage points greater than that received on district expenditures. Thus, wealthy districts may use BOCES aid to their advantage by participating in programs for which they would be aided at a lower percentage locally. "Once the per student cost exceeds $1,200, a district cannot lose State aid by shifting programs to a BOCES since no aid is paid on district expenditures (weighted) over $1,200 per student," (Legislative Commission on Expenditure Review, June 30, 1976, p. 21).

Table 5.5

State Aid to School Districts for Shared (BOCES) and Nonshared (Local) Services compared to District Wealth

(1974-75 State Aid*)

Number of Districts	District Wealth True Value/RWADA		State Aid Percent on Expenditures	
	Low	High	BOCES	Local
6	$ 6,202	$14,860	72%	89%
9	17,987	29,979	62	69
7	30,358	44,177	61	48
5	53,081	95,986	57	35

*1974-75 State Aid paid on 1973-74 operating costs

Source: Legislative Commission on Expenditure Review, Boards of Cooperative Services Finances, (Albany, New York: The New York State Legislature, June 30, 1976), pp. 23.

Conclusions

1. Proportionately greater use is made of BOCES by small districts than by large ones; however, component districts of all sizes make substantial use of BOCES services.

2. It would appear that BOCES tend to equalize educational opportunities among districts of varying size but not among districts of varying wealth.

3. For any district, regardless of wealth, spending above the aid ceiling or receiving state aid under a save-harmless provision, there are strong financial incentives for placing programs in BOCES rather than operating them locally.

4. For most wealthy districts, regardless of expenditure level, there are strong financial incentives for placing programs in BOCES rather than operating them locally.

Chapter VI

Recommendations for District Organization and Regional Services

A rationale was developed in Chapter II for viewing the public elementary and secondary schooling institutions of New York State as a single network for the delivery of educational services. This network has three service levels with authority for policy-making concentrated at two of those levels. The primary level of authority is the state as represented by the legislature, the executive, the Regents, the Commissioner, and SED. This level is charged with establishing basic policy for the system and overseeing and coordinating its components. Local school districts were created by the legislature and have been described by the Regents as "the basic operating units and one level of authority in the State's system of education," (Regent's Position Paper #25, 1976, p. 13). The most recent school governance invention of the state is BOCES. Regents policy statements see BOCES as extensions of local districts

> ...and the means by which larger pupil bases and greater financial, technical, and professional resources can be brought to bear upon school district operations, with the concurrence of local districts. (Regent's Position Paper #25, 1976, p. 13).

In Chapter II of this report, it was pointed out that many BOCES functions go well beyond those described in the Regents' statement, especially those derived from the role of the district superintendent. Such are extensions of the State's supervisory function and/or required by statute or regulation rather than being extensions of local districts.

A 1973 SED discussion paper recognized these dual purposes more realistically than did the subsequent Regents' position cited above.

> A new concept in school administration was created at the intermediate level. It provided for the extension of the power and authority of local and state levels in the organization and operation of broad-based services to fulfill more efficiently their individual or mutual needs. It established a State system of education comprising two levels of authority capable of delivering services at three operating levels which carry out distinct and mutually reenforcing functions. (SED, December, 1973, p. 2)

Within the network concept, it is perfectly reasonable for the state to delegate or decentralize those functions which can more effectively and more efficiently be handled at the regional or local level. By the same token, it is also reasonable for local districts to do cooperatively that which they cannot do well independently. In Chapter II it was argued that the procedure for assigning functions should permit flexibility

because an optimal allocation will vary among regions according to demographic and geographic characteristics and over time according to definitions of standards and technological developments.

This chapter will recommend planning procedures for assigning functions among the three levels and policies to guide the organization of local districts and BOCES. It will recommend changes in the governance of BOCES and propose means for financing school services which tend to be provided at a multi-district level other than occupational education and education of children with handicapping conditions. Recommendations for the delivery and finance of the latter are made in Chapter VII.

Among the objectives of these recommendations are:

- to remove legal distinctions among school districts;
- to make the services and opportunities provided by BOCES available to all elementary and secondary pupils in all school districts;
- to redefine BOCES service areas to represent socially and economically integral regions;
- to neutralize economic considerations in planning the delivery of educational services;
- to deliver educational services to clients at the lowest structural level which can effectively do so;
- to facilitate contemplative management of educational enterprises through effective use of planning.

Two premises discussed in previous chapters have guided the formulation of these recommendations.

- social, economic and technical conditions as they pertain to education will continue to change in the future as they have in the past; and
- the state governance structure for education should be flexible enough to adjust to those changes in a fashion which minimizes social trauma.

District Organization

In chapter IV the rapidly shifting conclusions from research into the impact of size on quality of educational services were reviewed. It was noted that size of schools becomes a critical factor only when educational services are delivered *en masse* through programs as is typical of today's schools. Also noted were the developing trends in curriculum theory, learning theory, and educational technology which are leading toward the emergence of instructional systems permitting the individualization of instruction within a community (rather than a school) setting. With individualization, and with the ultimate flexibility in delivery systems permitted by electronic communication media and computers, school size becomes a relatively unimportant consideration.

What do remain very relevant are the economic inequities caused by the fracturing of the state's tax base into some units which are very wealthy and others which are very poor. In this

day, smallness is a matter of preference for many districts which are small. Frequently, this preference is based on an economic rather than an educational rationale. This is certainly true in suburban areas where a substantial portion of the very small districts are found. While there may not be overwhelming evidence supporting a state policy for arbitrarily consolidating small school districts, there certainly is no rationale for encouraging them either, as present financial policy does. For the moment, state policy should concentrate its resources on expediting the development of individualized instructional delivery systems which could benefit all learners in the state regardless of the size of district or school in which they find themselves and relax in its efforts to eliminate district smallness for the sake of largeness. At the same time, the state should discontinue its subsidization of smallness. This will require significant changes in existing state school finance policies.

It is, therefore, recommended that the state make a major research and development commitment to design, pilot and disseminate affordable instructional delivery systems capable of individualizing instruction and flexibility in responding to diverse school district circumstances.

It is also recommended that provisions in the state's school financing scheme which encourage smallness for economic rather than educational reasons be eliminated. The most fundamental change is required in the general state aid formula. This needs to be placed on a truly equalizing basis through a power equalizing formula with recapture provision or through full state funding. All save-harmless provisions need to be phased out and size corrections should be avoided.

Further, it is recommended that the distinctions among school districts be reduced or eliminated. Districts not operating a full elementary and secondary program (grades K-12) should be consolidated with, or into, districts which do. Such a move would improve the curricular coordination in such districts while substantially reducing the number of tax enclaves and providing a more equitable distribution of property tax resources. Included in this recommendation are central high school districts and their feeding common school districts.

In the absence of convincing evidence that there is such a thing as "optimal size" for school districts, most K-12 districts can and should be removed from being under the direct supervision of a district superintendent. K-12 districts with enrollments in excess of 1500 pupils should be made independent superintendencies pro forma. K-12 districts which enroll fewer

than 1500 pupils should be permitted to petition for independent superintendency status. In its petition, a district should provide documentation showing that its programs fully satisfy state standards, that its costs are not inflated by unavoidable diseconomies because of size, and that its boundaries encompass a coherent community (socially and economically distinct from any school district with which it would likely consolidate). A recommendation on the petition should be made by its district superintendent with final decision reserved to the Commissioner.

Extending independent status to more districts would reduce the ambiguity of the district superintendent's office by removing one of its largely ceremonial functions, that of being the supervisory officer of dependent districts. Although dependent districts tend to be small, the state certification requirements for their administrators are the same as for independent superintendencies (or for that matter, the district superintendent). On paper, and officially in the eyes of the state, administrators in dependent districts are at least minimally qualified to serve as chief school officers in any district of any size. The supervisory/advisory services which district superintendents are now required to provide for dependent districts would still be available as needed upon request. Indeed, such services are being provided on a regular basis to independent superintendencies at present.

The Role and Governance of Boards of Cooperative Educational Services

The BOCES structure needs to be modified so as to provide intermediate unit services to all districts in New York State and the permanent legal status granted to BOCES in 1972 needs to be recognized in operation. This will require some restructuring of BOCES governance and finance to make BOCES membership economically and administratively fair to all districts; however, it need not change the purposes of BOCES as specified by SED:

1. Promote cooperation among school districts to ensure that every child has equal access to education opportunity;

2. Provide services to meet the needs of individual learners that cannot be provided as effectively or economically by individual school districts in its area:

3. Promote cooperation among all agencies, public and private, that serve the needs of children so that the full array of services required to meet each child's needs are brought to bear;

4. Provide services to help school districts in its area with operations that the districts cannot as effectively or efficiently provide for themselves;

5. Establish cooperative arrangements with other BOCES to provide services that individual BOCES cannot provide as effectively or economically;

6. Assist the State to supply to local school districts those services that are properly the business of the State but which can more effectively or economically be provided on a decentralized basis. (SED, 1974, pp. 17-18).

These role statements clearly place BOCES in a leadership and service position with respect to interdistrict and interagency relationships. They also recognize BOCES as the liaison between school districts and SED. The problem is to extend to BOCES sufficient authority so that they can carry out these roles effectively.

In extending the network of intermediate agencies to all districts, the sixteen districts which at present are eligible to become members of BOCES but are not, should be incorporated into the BOCES serving their immediate area as should Buffalo, Rochester, Syracuse and Yonkers. The New York City Board of Education should, in addition to the powers it already has, be extended all powers of a Board of Cooperative Educational Services and the City's Chancellor should be granted all powers of a district superintendent in addition to those which the office now possesses.

Buffalo, Rochester, Syracuse and Yonkers should <u>not</u> be granted the option of becoming separate BOCES, as is sometimes suggested. Chapter III has noted how these cities spilled out of their historical boundaries about the time of World War II. While there was a physical union with surrounding cities, villages and rural areas, governing structures remained separate. At present, there is no governmental structure short of the

State, itself, through which school districts in metropolitan areas or non-metropolitan regions may work on common educational concerns under mutually advantageous conditions. County government serves as a vehicle for addressing municipal problems at the regional level; a similar vehicle is greatly needed to address educational issues and to provide educational services which can be provided best at that level.

A SED policy development paper has noted the harm to the long term welfare of the State which has been caused by the exclusion of large cities from BOCES.

> [It] reenforces and is part of the threatening separation of city and suburban citizens and city and suburban governments that prevents joint action on problems that do not respect local government boundaries. This exclusion is yet another illustration of state policy that treats cities as distinct and separate entities and their suburbs as other distinct and separate ones. Even if each is treated "equally" in dollars, formulas and programs, it is a separate but equal policy that is as damaging to the development of the capacity of local officials to discern their common destiny and take steps to meet it as it is to individuals segregated by race or economic status. (SED, 1970, pp. 9-10).

Including Syracuse in the Onondaga BOCES would incorporate the core of that metropolitan area. Yonkers should become part of the neighboring southern Westchester BOCES. The problem is somewhat more complex for Buffalo and Rochester. Both of these

metropolitan areas are served by two BOCES. For the Rochester area, it is proposed that the two Monroe County BOCES be consolidated and that Rochester be made a component. For the Buffalo area, it is proposed that the two Erie County BOCES be merged and that Buffalo be made a component. Consideration should be given to transferring the rural districts in the extreme southern portion of Erie County to Cattaraugus, Chautauqua or Wyoming County BOCES. Those districts are geographically and probably socially and economically more a part of one of those areas than of the balance of Erie County.

The immense size of the New York metropolitan area and the uniqueness of New York City render a single BOCES for that area unworkable.

The origin and nature of New York City is frequently overlooked in formulating state educational policy. When the City was chartered in 1898 over 350 city, union free and common school districts were consolidated (Burke, 1977, p. 11). Although local boards continued to exist, they had very little authority.

> Virtually no notice has been taken of the fact that the city consolidation represented one of the three great advances in equalization made during the nineteenth century. By a single legislative act in a

> single year, the widely differing resources of districts serving nearly half the population of the state were equalized.
>
> This giant step was taken at no expense to the state. (Burke, 1977, p. 12).

With the reorganization of the City's school system in 1969, 31 local districts were created to oversee the elementary schools. Whether the New York situation is viewed historically or contemporarily, the school system is a system of systems. Granting the City BOCES status as recommended is consistent with the shared services concept.

The New York City metropolitan area needs several BOCES but probably not as many as the seven currently serving the area. Consideration should be given to reorganizing Suffolk County into one or possibly two BOCES. Studies should also be made of the feasibility of realigning Southern Westchester and Putnam/Westchester BOCES. Some mergers of rural BOCES may be desirable also. Nine are substantially smaller than the 20,000 pupil service population frequently specified as a desirable minimum.

The state should bear responsibility for financing any additional administrative expenses essential to achieving such status for the 21 non-member districts for the first three years of the new organizational status. Other financing

recommendations will be made in the next section which would remove many of the economic obstacles which presently deter large districts from joining a BOCES.

Inequities already exist in the distribution of voting power to component districts for the election of the governing boards of BOCES; but they would become much greater as the very large districts are included in membership. For all practical purposes under the present arrangement, each district has five votes regardless of size. This obviously underrepresents the large district. To distribute votes on a population or pupil population basis, however, would give undue representation to the large districts since their dependence on BOCES services is generally less than small districts. To strike a balance, it is recommended that each district be granted one vote for each 1,000 children, or major fraction thereof, regularly enrolled in the district, plus another number of votes to be determined by the proportion of the BOCES budget carried by the district. The latter would be computed by multiplying the ratio of the district's BOCES charges for the previous year to the total BOCES charges of all component districts for that year by the total enrollment in thousands of the BOCES's component school districts. The computations are expressed in the following formula:

$$V_d = \frac{E_d}{1000} + \left(\frac{C_d}{C_b} \times \frac{E_b}{1000} \right)$$

where:

V_d = Number of district votes in BOCES elections

E_d = District enrollment to nearest 1000

C_d = District BOCES charges for previous year

C_b = Total BOCES charges to all component districts for previous year

E_b = Total enrollment in BOCES component districts to nearest 1000

Alternatively, the admittedly simplier voting procedures which are in force at present could be continued with the unanimous consent of component districts.

The same voting scheme as is used for electing the governing board should be extended to approval of the administrative budget as redefined in the next section. In the event the Cooperative Board and component districts cannot agree on an administrative budget, such should be determined by the Commissioner.

The educational services budget should be determined solely by contract; Commissioner's approval should be required only where state aid is involved. No limit should be placed upon the kinds of educational services offered by BOCES to component districts. BOCES should be granted the same authority to enter into contractual arrangements with other agencies as has been

extended to school districts. All formal inter-district arrangements should be executed through BOCES.

There continues to be some services, such as computers, which require a much larger student base than is provided by an individual BOCES. For coordinating these provisions, the state has established a variety of regions and Joint Management Teams (JMT) to preside over them. The JMT consists of the district superintendents of the BOCES involved and in some cases selected district chief school officers also participate. This structure should be continued.

In recent years, the SED has begun to place field officers representing various of its bureaus outside of Albany. They are frequently housed in BOCES facilities but they have no relationship to the BOCES hierarchy even though the district superintendent is the field representative of the Commissioner. Thirty such persons are presently housed in Erie #1 BOCES for example. District superintendents frequently complained during interviews with the consultants that SED and its field representatives like to deal directly with local districts until they get into difficulty with them or fail to get cooperation from them; then they come to the district superintendents for assistance. The effectiveness of these field representatives would probably be greatly enhanced if they were tied into the

regular communication network, rather than set up what amounts to a maze of uncoordinated ad hoc regional offices of SED. It is recommended that these SED supervisory activities be formally attached to BOCES under the direction of the district superintendent. When such services are provided in a fashion which includes more than a single BOCES, the district superintendents involved would act as a coordinating group - a JMT.

Financing BOCES

The financing of BOCES should continue to be provided solely by contracts with or grants from the agencies to which BOCES provides services.

The extent to which BOCES acts as an agent of SED is inadequately recognized in the financial support provided by the state to BOCES. In a strict sense, the state provides no support, but it does pay $18,120 annually toward the district superintendent's salary and makes available a very small allowance in lieu of expenses. The legality of even this support was questioned by the Legislative Commission on Expenditure Review (June 28, 1976, p. 10) because the Education Law stipulates a salary of $8,000.

The salaries of district superintendents and other direct payments to be cited below should not be specified by statute, but should be included in the SED budget. The amount should be negotiated between SED and each BOCES based on manpower allocation studies and the prevailing state salary schedule. It needs to be recognized that not only the district superintendent, but also his associate and assistant superintendents and their supporting staffs acting in his behalf, provide direct service to SED. As things now stand, component districts not only finance a portion of the state function, but more importantly, the state functions become dependent upon approval of, and financing by, component districts.

To formalize the dual function which exists in fact, improve equity for districts, and enhance the regional leadership functions of district superintendents and BOCES, it is recommended:

1. that accounts 1240 and 1250 of the Standard Code of Accounts for BOCES be reserved for state functions performed by the superintendent and his assistants, and that separate accounts, perhaps 1245 and 1260, be used for assignment of costs related to the administration of BOCES as a shared service agency (see Table 6.1);

2. that similar distinctions be maintained in account 1480 planning (Conceptually, this account may be adequately structured as it now stands. The current description of activity already distinguishes between surveys and activities designed to institute new services and planning designed to update existing

Table 6.1

GENERAL FUND

EXPLANATION OF APPROPRIATION ACCOUNTS

ADMINISTRATION

1010 BOARD OF EDUCATION

Items such as costs for board meetings, travel, association dues, training institutes and association meetings; expenses for the clerk and officers of the board, legal fees, supplies, and fidelity bonds; annual and special meetings of trustees are to be charged to this account.

The costs of developing proposals leading to a referendum, including options, exploration, legal fees, advertising, and conducting the election are to be included. Following a successful referendum they should be paid from the project so authorized.

1240 DISTRICT SUPERINTENDENT

Charge this account with the supplementary salary of the district superintendent; clerical salaries directly assigned, travel expense, supplies, equipment, and contractual expenses for the office operation.

1250 GENERAL COST OF ADMINISTRATION

Charge this account with the cost of general assistants to the district superintendent (which may be designated under various titles such as deputy superintendent, assistant superintendent, administrative assistant) needed to support the district superintendent in State duties with dependent school districts, or responsible for general regulation, direction and control of the service program, together with clerical support.

1310 CENTRAL SUPPORT

Charge this account with expenses of the following:

Business Office Operations - These include accounting, purchasing, payroll, inventory control, bidding, and related costs for the board of cooperative educational services.

Personnel Services - Negotiations, contract management, recruitment, and staff development for the board of cooperative educational services.

Public Information - Development, printing, and distribution of newsletters, brochures, media material, and similar costs for the board of cooperative educational services.

Continuation of Table 6.1

GENERAL FUND - EXPLANATION OF APPROPRIATION ACCOUNTS

1480 PLANNING

Charge this account with the costs of personnel and supporting expenditures necessary to conduct surveys within and among boards of cooperative educational services areas and the development of plans based on such needs assessments which indicate promise of enhanced educational services. The costs of professionals, clerical, supplies, equipment, travel, and other related items are to be included.

Once a shared service, such as occupational education is initiated the cost of continued updating of the plan for that service should be included in the service budget. The costs for evaluating existing programs should be included in the service budget of the program.

1490 OTHER ACTIVITIES

Charge to this account the expenses of functions which are of general benefit to all districts in the area which would not be feasible to offer as a service program.

1900 UNDISTRIBUTED

Charge this account with the expenses of rental of facilities, payments to the Dormitory Authority, interest on indebtedness and charges for supplemental retirement.

Source: New York State Department of Audit and Control, Uniform System of Accounts for Boards of Cooperative Educational Service. (Albany, New York: The Department, January 1977.)

services. The latter are presently allocated to the shared service involved);

3. that costs of the restructured accounts 1240 and 1250 be assumed by the state and that reimbursement made directly to BOCES.

To more fairly distribute general administrative costs which must be paid by component districts, two types of action seem necessary. First, accounting procedures should continue to allocate administrative costs wherever possible to the service being supported. Also, except for payments to the Dormitory Authority, payments on lease purchase contracts, and interest on indebtedness, expenditures in account 1900 should be distributed proportionally among other budget categories including the SED and general administration categories. The other expenditures in the 1900 account are primarily for rent which constitutes approximately one-third of the total administrative budget. Second, changes in the method of allocating general administrative costs to particpatng districts should be made to more closely reflect the general benefits derived from BOCES services. It is proposed that such general benefits be estimated by taking the average of the ratio of district enrollment of BOCES components and the ratio of district BOCES charges to total BOCES charges as expressed in the formula:

$$A_d = 1/2 \left(\frac{E_d}{E_b} + \frac{C_d}{C_b} \right) A_b$$

where:

A_d = District's charges for administrative budget (redefined)

E_d = District enrollment to nearest 1000

E_b = Total enrollment in BOCES component districts to nearest 1000

C_d = District BOCES charges for previous year

C_b = Total BOCES charges to all component districts for previous year

A_b = BOCES administrative budget (redefined)

Underlying both types of action is the principle that administrative costs of services should be allocated to the service which incurs them, and charged to the district or agency benefiting from it. The proposals for the allocation of administrative costs are summarized in Table 6.2. Charges to a district for General Administration would be aided by the state according to the district's aid ratio computed as at present but with the minimum ratio reduced to zero. Such aid should be in addition to aid paid through the districts' general aid formula. Shared services aid based on tax rate (millage) should be discontinued.

SED has grouped BOCES service programs into six classifications.

. Occupational Education Instruction

TABLE 6.2

Summary of proposed allocation of administrative costs

SERVICE PROGRAM ACCOUNTS	Proposed Classification and Allocation of Costs		
	State Education Department	General Administration of shared Services (prorated among components by formula)	Shared Services Costs (prorated among components according to use of service)
1010 Board of Education		X	
1240 District Superintendent (State functions)	X		
(1245) District Superintendent (general administration of shared functions.)		X	
1250 General Cost of Administration (assistants for state functions)	X		
(1260) assistants for general administration of shared services functions.		X	
1310 Central Support	X	X	X
1480 Planning (Regional functions) (updating of current functions is already allocated to shared services programs.)		X	X
1490 Other Activities		X	
1900 Undistributed			
Dormatory Authority & Debt Service		X	
Rent	X	X	X

. Handicapped Instruction

. Itinerant Services

. General Instruction

. Instructional Support

. Other, and Non-Instructional

From a budgetary standpoint and in terms of children served directly, the first two classifications, occupational education and education of the handicapped, dwarf all other functions of BOCES. Until the Chapter 241 legislation in 1974, no special aid was available for such programs unless purchased as a shared service through a BOCES where-upon BOCES aid became available. The Big Five cities were totally excluded from such aid as were the 16 districts which chose not to join a BOCES and the districts which provided a portion of such services directly. Chapter 241 aid (more recently amended by Chapter 853) has reduced the inequity for most districts by making special aid available to district operated programs for handicapped children. Chapter 241 also made special aid available to the Big Five cities for occupational education programs; however, such is still unavailable to the 16 districts eligible to but not joining BOCES (except, in some cases, for small amounts of Federal Vocational Education Act monies). It could be argued that these 16 districts should join BOCES if they desire additional state assistance but in at least some instances the BOCES

administrative costs which they would incur exceed the aid to be gained.

Interviews revealed that a number of school districts had previously placed their less severly handicapped children in BOCES programs because of the aid incentive in spite of the fact that they preferred to keep their children in the home district and subscribed to the philosophy of mainstreaming. With Chapter 241, some districts began to remove these children from BOCES programs. If the financial differences were completely neutralized between BOCES provision and district provision, it could be expected that most districts would provide such services directly. In so doing, however, a good portion of the districts claim that they would still depend upon BOCES to provide supervisory services and backup services of highly specialized personnel. For the severely handicapped child there was little inclination to provide such services directly even if there were no aid advantage in purchasing services through BOCES. Exceptions are the five large cities which believe themselves to be able to provide adequate services for the handicapped and for occupational education except in highly unusual cases.

The state and federal governments are well on the road to financing both education for the handicapped and occupational education through categorical aids. It is recommended that the

state go all the way in this direction and establish uniform procedures for financing these services. With the implementation of uniform categorical aids, BOCES aid should no longer be available for these services although BOCES should continue to operate programs under contract to local districts. The means for accomplishing this will be specified in Chapter VII.

In the case of occupational education, programs cannot be offered or expanded without approval of SED. All BOCES, the Big Five Cities and eleven other districts have been approved to offer occupational programs. The state should review this approved list. In general, with the probable exception of the Big Five Cities, approval should be continued only for BOCES.

The four other service categories (Itinerant services, general instruction, instructional support, and other services including non-instructional) should continue to qualify for shared service aid when offered through BOCES under the limitations imposed by the CO-SER review of the SED with important modifications.

- Shared services aid should be paid on the basis of a district's aid ratio with the minimum aid ratio being set at zero. Shared services aid based on tax rate (millage) should be discontinued.
- Aid should be paid on the total cost of an approved program. Present salary limitations should be removed.
- SED should have authority to approve programs for aid up to five years when requested by a BOCES.

. Services not receiving shared services aid should not require SED approval.

Such aid would continue to make possible a broad based curriculum in small rural schools - the original purpose of BOCES. The CO-SER review criteria provide sufficient safeguard from abuse by districts not suffering diseconomies because of smallness while eliminating tax rate (millage) aid removes the advantage currently enjoyed by the small but property rich district. Shared services aid would also encourage large districts to cooperate on programs such as: planning, program evaluation, educational communications centers, ETV, computer services, staff development, curriculum development, etc. The overall benefit to the state would be a high level of services provided as economically as possible.

In addition to the procedures currently available for building and purchasing facilities, BOCES should be permitted two additional options - to enter into lease purchase agreements with private contractors and to arrange financing through private lending institutions. The additional options would be subject to the condition that arrangements be at least as favorable as those offered by the Dormitory Authority. The LCER noted serious problems in financing BOCES construction through the Dormitory Authority. BOCES' option of financing capital debt through joint bonding of component districts requires unanimous endorsement by

those components. This is not always possible to obtain and it fails to recognize the inability of special districts created by the legislature to issue bonds. Whatever the means of financing, a project cost allowance should be set by SED as at present and component districts should be aided for their share of those costs as they are for capital debt incurred by them directly.

The mandatory referendum of voters in a BOCES service area to authorize multi-year borrowing or contracts should be eliminated. Instead, the BOCES board should be authorized to enter into such agreements following appropriate public notice and hearings providing that a referendum is not called for. A referendum could be called for by petitions signed by 5% of the total number of voters voting in the most recent school elections of component districts or by resolution of the boards of 1/3 of the component districts. This proposed substitute procedure is similar to that governing borrowing by towns. A BOCES board should not be able to enter into a multi-year agreement if the vote of a referendum were unfavorable (less than a majority).

Planning

The statute creating BOCES authorized them to "make or cause to be made surveys" to assess areawide needs and to guide the planning of services to meet those needs. Vocational Education Act (VEA) monies have been used to generate five year regional

plans which estimate the demand for vocational education services and inventory the extent to which those demands are being satisfied. A parallel state-wide planning study is also made. Since 1974, there has been a rash of new legislation mandating educational planning at BOCES and district levels. The section of Chapter 241 of the Laws of 1974 providing categorical state aid for Pupils with Special Educational Needs (PSEN) and Pupils with Handicapping Conditions (PH/C) also requires that the Board of Education of each district adopt three year program plans for the expenditure of those monies and submit them to SED for review. Chapter 793 of the Laws of 1975 requires BOCES to develop five year plans of programs and resources needed for meeting regional needs for services specified by the Commissioner. At present these services are computer services, occupational and continuing education, and education of the handicapped. These plans are required to be submitted to SED for review. Chapter 853 of the Laws of 1976 amended Chapter 241 with respect to handicapped children but retained the requirements for annual program plans. These plans must be approved by the local Board of Education and retained on file for possible inspection by SED. Chapter 848 of the Laws of 1976 requires each school district to make enrollment projections for six years into the future and to make program and fiscal projections for three years. These plans are to be submitted to SED.

The movement toward comtemplative management as suggested by these required planning activities is commendable. However, the endeavors are so fragmented, overlapping and uncoordinated that it is doubtful if the full potential of this type of activity is being realized. Two types of planning activities are required for occupational education. BOCES must plan educational services for handicapped children on a five year basis, while local districts plan on a three year basis. An information copy of local plans is provided to BOCES. BOCES are not required to share their plans except with the Commissioner although general practice is that they do share them with local districts.

It should also be noted that there is a similar fragmentation in the conceptual base for planning of these diverse activities. Each planning effort starts from highly diverse assumptions which are not wholly compatible when their relationships to one another are examined. All speak of needs and needs assessment in one way or another; but, needs are defined in ways which challenge their reintegration. Occupational education tends to define needs in terms of the supply and demand for jobs in the labor market. Little attention is paid to individual development, occupational interests, or lack of competence in basic skills. A focus on student needs is emerging in planning for the education of handicapped and disadvantaged groups. When the need for programs, facilities, equipment and construction is analyzed, the

conceptual tie between the needs of students and general systems support become further separated.

It is recommended that a task force be established to conceptualize a comprehensive planning framework for integrating the segments of the entire educational system. Section VIII of Occasional Paper No. 28 (Nelson, 1978) provides one of many possible frameworks which could be adopted and the two principles it identifies seem important to any system of effective planning. First, the educational system should be based on a thorough analysis of the needs of students. The developmental framework suggested by the Regents in Position Paper No. 11 and expanded in Occasional Paper No. 28 may provide such a base. Second, need for educational resources, whether organized on the basis of standardized programs or on the basis of a flexible system of individualization, should also be connected to the assessment of student needs to be met.

The composition of the task force is critical. Its membership should be broadly representative of the decision-making structure for education and should reflect the importance placed by the state on the planning process. The task force should be chaired by the Deputy Commissioner for Elementary and Secondary Education. Other members should represent the viewpoints of the executive, the legislature, SED, school boards,

chief school officers and other district administrators, teachers, and the general public (including parents and students).

Planning is a highly technical process. Most districts are not of sufficient size to justify a planning office; even if all were, at present there would not be sufficient numbers of appropriately trained persons to staff them. This suggests that, if planning activities are to be conducted in other than a perfunctory fashion, there needs to be a pool of planning specialists in each region from which local districts can draw the expertise they require. Further, to assure comprehensiveness, the responsibility for planning programs which tend to be shared even in part should be placed at the highest level delivering services. Thus, planning for all of occupational education should be coordinated by BOCES even though some occupational courses are typically delivered at the local level, e.g., business education. Similarly, BOCES should coordinate planning for services rendered to handicapped children. SED should coordinate planning for computer services, educational television and other activities that extend beyond a given region. Planning for traditional instructional programs should remain with local districts; however, districts would be well advised to contract for expert planning assistance -

possibly through BOCES. This would be encouraged by including planning as shared services qualifying for aid.

* * * * *

The main thrust of these recommendations is to formalize a third level of decision making and service delivery within the state's educational structure. By involving all the big and small cities as well as the suburban and rural districts in BOCES, new forums are created whereby school districts can discuss, plan and solve problems which do not respect the vagaries of school district boundaries. No such forum exists at present short of the state legislature. At the same time, the integrity of the local school district is maintained for planning and providing those educational services which do not require multi-district cooperation. Charles Schulty and Henry Owen (1976, p. 7) have observed that:

> Ten years ago, government was widely viewed as an instrument to solve problems; today government itself is viewed as part of the problem...Government regulations are increasingly perceived as generators of red tape, obstacles to efficiency, and intrusions on freedom.

Governments and their bureaucracies are central to the welfare of an affluent and complex society such as ours; but

futurologists are beginning to observe that we are approaching the limits of comlexity.

> Social systems tend to decline in performance as they become bigger, more complex, and increasingly incomprehensible. They also become less amenable to democratic control, and more vulnerable to disruption at key points. There now appears to be evidence that we may be pressing against the relative limits of our ability to manage large bureaucracies. (Elgin and Bushnell, 1977, p. 377).

The situation is not yet critical within New York State's largest bureaucracy, education, although the signs of a strain are becoming more and more apparant. As problems increase in difficulty, more responsibility is being placed with SED. Some of the increased responsibility has been assumed voluntarily by the Department, but most has been assigned by the State Legislature, by Congress or by State and Federal Courts.

Schulty and Owens (1976, p. 13) have also pointed out:

> (T)he important issues are less idealogical. Designing successful policies increasingly requires skills beyond the traditional political ones of negotiation and compromise among conflicting values and interests. In part, the need is for more analytical skills and technical competence.

The recommendation of this report concerning the financing and governance of BOCES would provide the State with an alternative to consolidating decision-making in Albany. The planning recommendations would increase overall the State's

analytical skills in support of policy decisions, but at a regional level.

The state aid recommendations of this report are summarized in Table 6.3. The impact of the excess cost aid for occupational education and programs for handicapped children are detailed in Chapter VII. It is difficult to estimate the fiscal impact of the other proposals. Overall, their impact would be negligible, but for some districts it would be substantial. For the state, the biggest expenses would be for absorbing the administrative costs of the 21 new BOCES members for three years and for paying in full the services rendered to SED by BOCES. It is unlikely that the latter would exceed $8,000,000 per year which represents approximately half of the current administrative costs of BOCES. The former expense should not rise above $10,000,000 per year. Those costs would be partially offset by the elimination of tax rate (millage) aid.

BOCES would probably remain the primary conveyer of services for occupational education and for severely handicapped children even though the aid for such services would become categorical. BOCES role with moderately handicapped children could be expected to decline especially in metropolitan areas. Many shared services would continue to be provided throught BOCES and would begin to include districts presently excluded from them. BOCES

Table 6.3

Summary of state aid recommendations

Program	Type of Aid			
	General Aid	Aid Ratio	Excess Cost	100% Reimbursement
Handicapped Education			X	
Occupational Education			X	
Approved Shared Services through BOCES		X		
District Elected Services through BOCES	X			
State Purposes through BOCES				X

would assume a major role with respect to planning. For regional planning it would assume the central role.

Probably the biggest impact on BOCES would be political, not financial. This is especially true for those BOCES which would receive new members although all could be affected by the reallocation of voting power. The balance would shift toward larger districts which could not help but have some impact on BOCES perspectives, policies and programs. Through their roles in regional planning for occupational education and education of children with handicapping conditions (detailed in Chapter VII), BOCES would be granted a degree of authority to effect programs and the allocation of resources which no BOCES has at present. The formalizing of BOCES state superivsory function would also increase its influence.

The impact on districts will vary greatly. The criteria of equity and economic neutrality have been paramount in designing the recommendations. The elimination of tax rate (millage) aid was proposed in the name of equalization; the impact will be on property rich districts. The institution of uniform categorical aids for occupational education and for programs for handicapped children were proposed in the names of both equalization and economic neutrality. Related recommendations will tend to shift funds away from small property rich districts to property poor

districts with large proportions of students eligible for categorical aids. Regional planning is required primarily where the state now assumes direct responsibility for quality control (occupational education and education of the handicapped). Operationally this responsibility is now shifted to BOCES. This should make the control much more effective than it is at present, which may give the appearance of reduced local autonomy with respect to these services.

Chapter VII

Delivering and Financing Educational Services for Children with Handicapping Conditions and for Occupational Training

Programs for Children with Handicapping Conditions

In 1974, New York State reestablished an earlier practice discontinued in 1962 of specifically recognizing the higher costs of educational programs for children with handicapping conditions through additional state aid. For the period 1962-1974, only school districts belonging to and providing services through a BOCES received additional financial assistance from the state in meeting those higher costs. The 1974 program (Chapter 241) extended categorical aid to all districts, but under three formulas. BOCES aid was continued; the Big Five cities were granted special services aid under a set of weightings; and the remaining districts were granted a double weighting for all handicapped children served by district programs. Also, since 1957, the state had made tuition grants up to $2,000 for children placed in private schools when appropriate public facilities were not available. In 1976, Chapter 859 amendments made the private school option considerably more attractive financially to school

districts by increasing state aid to cover "excess costs". Each of these aid options impacts each district differently, thereby interjecting state aid considerations into the development of a district's strategy for servicing the handicapped. To establish a single formula for severely handicapped pupils, the Regents have proposed legislation extending the excess cost concept to district and BOCES operated programs serving the severely handicapped.

As already reported in the previous chapter, interviews of chief school officers by the consultants revealed that the availability of BOCES aid had been an important consideration for some districts in placing moderately handicapped children in BOCES programs even though it was preferred to keep such children in the home district. With the Chapter 241 amendments, a few districts did "bring their children home" and others can be expected to do so in the future if the same aid provisions are extended to districts as to BOCES operated programs. The reactions of district superintendents to the impact of the Chapter 241 amendments were mixed. In metropolitan areas, there was a tendency to agree that provisions for the moderately handicapped should be made by the home district rather than BOCES; in rural areas, however, concern was expressed that the quality of services provided at the district level was not as good as that provided by BOCES. Concern was also expressed in

both rural and metropolitan areas that children were being placed in private schools even when appropriate (and less expensive) public services were available because of aid advantages extended to such placement under Chapter 859. It was further suggested that where the placement issue is brought before a court, the courts tend to favor the parent plaintiffs who are generally seeking placement in private schools.

Chief school officers did see an important role for BOCES even when programs are district operated. Except in the largest districts, it is indicated that while there may be enough students to justify the employment of three or four special education teachers, the districts have no one competent to supervise and coordinate their activities. Districts would continue to look to BOCES for this kind of service as well as for backup specialists. There is little indication that aid parity would lead to a reduction in demand for BOCES services to the severely handicapped.

Permitting districts the option of providing educational services to the handicapped at the district or intermediate (BOCES) levels or through private facilities has made the task of supervision, coordination, and quality control substantially more complex. It is a task which was performed poorly under much simpler conditions according to Fleischmann Commission

evaluations (1972, p. 9.40-9.54). In designing a scheme for delivering educational services to the handicapped, it apparently is not sufficient to achieve economic neutrality without also making provision for the maintenance of standards. No financial scheme will prove satisfactory in the absence of a rational control system.

The Fleischmann Commission (1972), The Regents' Position Paper No. 20 on "The Education of Children with Handicapping Conditions" (SED, November 1973), and recent federal legislation are consistent in proposing an advocacy system to assure that children with handicapping conditions receive educational opportunities commensurate with their needs. To this end, Commissioner's Regulations require school districts to establish a committee for the handicapped whose function is to evaluate each handicapped child and to recommend appropriate placement. The Regents view these committees "as general and sometimes specific advocate of the handicapped child" (SED, November 1973, p. 10). Membership is to include at least a physician, school psychologist, school social worker, teachers of handicapped children, an administrator of special education, and parents of handicapped children.

The Legislative Commission for Expenditure Review (LCER 1976, p. 49) discovered in their study sample, that only 47% of the

school districts had complied with SED requirements for annual registration of committees for the handicapped and a large proportion of those registered did not consist of the required membership. Twenty-three percent did not have a school physician, for example. LCER concluded:

> The failure of school districts to comply with these minimum standards raises questions concerning the operating status and impact of the committees for the handicapped as the local entity charged with identification and placement of children with handicapping conditions. (Legislative Commission on Expenditure Review, June 28, 1976, p. 49).

In responding to LCER inquiries, SED attributed the failure to comply to attrition of personnel, staff shortages at the local level, and the lack of a meaningful legislative sanction or penalty for failure to comply with any given regulation. SED also noted that some of the types of persons designated for membership on a committee for the handicapped are themselves in short supply. This is a particularly serious problem in rural areas.

Identification of persons with handicapping conditions is an essential first step in delivering educational services to such persons. The Fleischmann Commission had recommended a state wide registry of such programs and a systematic screening procedure at the district level; the Regents have proposed registries at the

regional level and screening by both public and private schools. A SED survey (March 1975) revealed that only 24% of the state's school districts educating 11% of the state's school children, had formal systematic screening procedures. In addition to the physical, visual and audio examinations required by Commissioner's Regulations for all school children, the Fleischmann Commission had recommended speech and motor coordination examinations.

The Fleischmann Commission also recommended instituting a system of regional multi-disciplinary diagnostic teams. The 1973 Regents' position paper concurred in principle, if not in detail, with this proposal. According to Fleischmann:

> The ideal multi-disciplinary team should be limited to four or five permanent members, including trained professionals who would help with the volume of basic screening. The experts on the team should include a pediatrician specially trained to work with handicapped children, a psychologist, social worker and teacher. One of the professionals with a strong educational background (probably the teacher or the psychologist) should serve as liaison between the team and the classroom teacher. Preferably such a person would head the team.... As needed, they would also be aided by other specialists in rehabilitation, speech and hearing, as well as by an ophthamologist, psychiatrist and neuralogist (1972, p. 9.34).

The Commission estimated that a team would be necessary for approximately every 20,000 pupils. The teams would diagnose all

children identified through the screening process or referred to them by parents, teachers, administrators or various state agencies. Suggested placements by the teams would have to be approved by the district committees for the handicapped.

At present, the diagnosis and prescription functions which Fleischmann would place at the regional level are largely the responsibility of the district committee using information supplied by district or BOCES personnel. These committees are also charged with making annual status reviews and three year evaluations of each child. LCER reported that BOCES special education directors were highly critical of the functioning of the district committees charging that their reviews tended to be superficial and their records inadequate.

To this, SED responded:

> We certainly confirm that monitoring of the local districts' compliance of the Regulations could be greatly improved. It is impossible to continue to not fill line items, reduce staff, and increase the workloads of the remaining individuals on one hand, and enjoy a 100% monitoring operation of the 746 districts in New York State on an annual basis on the other hand. We believe that all areas pertaining to the Regulations could benefit by an increased monitoring function. One of our purposes in the establishment of regional offices is to meet this need, if adequate staffing is provided. (Legislative Commission on Expenditure Review, June 28, 1976, p. 55).

It would appear that "bits and pieces" of a well designed system first conceived by the Fleischmann Commission and subsequently modified but generally supported by the Regents are in place. But important pieces are missing and coordination is very poor. In closing its 1973 position paper, the Regents called for "the development of coordinated planning and action by all levels and units within the educational system of New York State" (p. 19). Earlier it had charged district superintendents and superintendents of large cities to provide the necessary leadership. In the view of the consultants, it appears that the key to a well coordinated structure for providing educational services to children with handicapping conditions is the assignment on a regular basis of specific coordinating, planning and service functions to BOCES (as reconstituted in the previous chapter).

It is unreasonable to expect SED to monitor effectively the committees for the handicapped of some 746 districts even with the establishment of regional offices as proposed by the Division of Education of children with Handicapping Conditions. (Note that the establishment of regional offices is an extension of recent SED practice which was criticized in Chapter VII.) It is not unreasonable, however, for SED to monitor 40-45 intermediate units and for each intermediate unit to monitor 10-20 component districts. But monitoring, even when well done, is not

sufficient to bring about compliance. To assure this, legislative sanction and appropriate penalties for failure to comply are needed. As things stand, the Regents' "Advocacy System" is not functional.

It is recommended that each BOCES be required to appoint a Regional Advisory Committee on Planning and Evaluating Educational Services for Children with Handicapping Conditions (RCHC). The purpose of this committee is to serve as a public advocate for handicapped children. It would advise the BOCES board in the development of a regional plan for delivering educational services to handicapped children and would regularly evaluate the implementation of the plan. The RCHC should be composed of professionals who work with handicapped children (1/2), parents of handicapped children (1/4) and physically handicapped adults (1/4). All persons on the committee should be reimbursed for expenses incurred. Parents of handicapped children, physically handicapped adults, and professionals not serving in an official capacity (i.e., an employee of a related state agency, school district or BOCES) should be granted a stipend for services performed. To ensure a sufficient client base in sparsely populated areas, two or more BOCES should join together to form one committee.

The regional plan should specify the total delivery system of services for handicapped children at the BOCES and district levels for a five year period. It should set standards of service and provide a mechanism for assuring the maintenance of those standards. A public hearing, recommendation by the RCHC, and approval of the BOCES board should be required before submitting the plan to the Commissioner for final approval. The payment of state aid for handicapped children described below should be limited to those services included in the final approved regional plan whether supplied at the regional or district level. Any deviation should involve the formal filing of an amendment which should have to pass through the same approval process as did the regional plan.

Provisions should be made in the regional plan for the screening of handicapped children at the district level and for maintaining a registry at the BOCES level. SED should establish guidelines for the BOCES registries so that they may be coordinated into a statewide registry.

Provisions should also be made in the regional plan for a diagnostic and prescriptive team for every 20,000 pupils. These teams would initially examine all children referred to them and conduct the required three-year evaluations of the identified handicapped. This would place the diagnostic and prescriptive

functions in the hands of professional personnel and remove much of the basis for criticism of district commitees under current practice. To assure the rights of each child, the placement recommendations of the teams should be subject to review by the appropriate district committee.

The district committees for the handicapped should continue to be constituted as at present. Their purpose is to serve as a public advocate of handicapped children at the district level. They would advise the districts in preparing their components of the regional plan. In addition to reviewing the placement recommendations of the regional diagnostic and prescriptive team, they would conduct the required annual status review of each child.

The above procedures should provide for a well coordinated program at the regional level which meets state and local standards while making efficient use of resources. The system builds in an advocacy procedure for handicapped children in general and provides effective safegards for the individual and the public. In the presence of such a control system and the state's carefully defined criteria for identifying handicapped pupils and for evaluating programs, it becomes reasonable to finance the services rendered through the system on an excess cost basis.

Excess cost aid would require that separate accounts be maintained for expenses of programs for children with handicapping conditions. For children who are mainstreamed, the approved operating expense of regular classroom instruction will have to be prorated and charged against the separate account.

Excess cost should be defined as the difference between the totally approved operating expenditures for pupils with handicapping conditions less offsetting revenues. Offsetting revenues would include federal funds, and the prorated sum of local property and non-property tax levies, and the state general operating aid.

$$EC = AOE_{hc} - F - \left(\frac{LTL}{ADM_d} + \frac{GOA}{ADM_d}\right) ADM_{hc}$$

EC = excess cost
AOE = approved operating expenses
F = federal funds
LTL = sum of local property and non-property tax levies
GOA = state general operating aid
ADM = average daily membership
hc = handicapped pupils
d = total district

Total approved operating expenditures for pupils with handicapping conditions would include expenditures made by the district for approved programs which it operated or for services purchased from approved programs operated by other school districts, BOCES, or private facilities. For school districts

and BOCES, "approved program" means one specified in the regional plan. For private facilities, it means one approved by the Commissioner.

Handicapped children would receive no special weighting in the general aid formula. To compute the excess cost aid, the excess cost would be multiplied by a district's excess cost aid ratio. The ratio would be determined by dividing the actual valuation per pupil in resident average daily membership of the school district by the state average actual valuation per pupil in resident weighted average daily membership and multiplying the quotient by .15 and subtracting the result from 1.00.

$$AR_x = 1.00 - .15 \frac{FV_d/RADM_d}{FV_s/RADM_s}$$

AR_x = aid ratio for excess costs
FV = actual valuation
RADM = average daily membership
d = district
s = state

This formula is the same as that in article 89 of the Education Law, as amended by Chapter 853 of the Laws of 1976, and the same as that proposed by the Regents in extending excess cost aid to programs for the severely handicapped operated by school districts and BOCES (except that average daily membership has been substituted for average daily attendance). The existing

statute provides for a minimum aid ratio of fifty percent. To advance the principle of equalization, no such minimum is a part of this recommendation. To maintain parity between programs offered by school districts and BOCES with those offered by private schools, private schools receiving public monies should be subject to the same regular audits as are school districts and BOCES to determine whether their charges include only approved expenditures. Private schools should also be required to submit an annual financial statement, prepared by an independent accounting firm, detailing revenues and expenditures.

Costs of programs and services provided directly to school districts by BOCES should be charged to the school district on the basis specified in the contract between BOCES and the district. Expenses for the RCHC and supporting staff, for developing a regional plan for delivering educational services to the handicapped, for the diagnostic and prescriptive teams, and for the registry, should be prorated among component districts according to the formula presented in Chapter VI for General Administration of Shared Services costs. Total charges would be included in the district's approved operating expenditures for children with handicapping conditions and aided accordingly.

In 1972, the Fleischmann Commission estimated the cost of the multi-disciplinary diagnostic teams at $48 million to start and

$43 million annually to operate (1972, p. 9.36). The Commission went on to note that, "Most of the money involved, however, would not be new money, since few new personnel would be hired, and current personnel from public school districts, local public health stations and so forth would simply be shifted into different responsibilities." Applying an inflation factor to make the Fleischmann figures comparable in 1975 dollars to those reported below brings the start up cost to $80 million and the annual operating cost to $72 million. Since these costs would be aided by the excess cost formula, about 85% would be borne by the state and the balance by local districts.

The recommendations for aiding programs for children with handicapping conditions go just one step beyond that already proposed by the Regents and two steps beyond that legislated for private schools by Chapter 853 of the Laws of 1976. The Regents propose that Chapter 853 aid be extended to all approved programs for severely handicapped children; herein it is recommended that such aid be extended to all approved programs regardless of the degree of handicap. Such aid would take the place of existing BOCES aid and special weightings.

Rather reliable estimates can be made of the fiscal impact of these recommendations on BOCES operated programs because programs are budgeted separately (although actual expenditures apparently

are not reported on a programmed basis) and accurate enrollment records are maintained. For district operated programs, no program costs are available either at the budget or expenditure stage and reported numbers of children enrolled vary markedly from report to report. The Conference of Large City School Boards does estimate such costs annually for its members, however. While only one cost impact estimate has been made by the consultants for BOCES and reported in Table 7.1, maximum and minimum sets of projections have been made for district operated programs using differing sets of available data. The minimum projections for the Big Five are based on the numbers of handicapped persons reported for Special Services Aid; the maximums are based upon numbers reported in the Basic Educational Data System (BEDS). The estimates for the "Others" are made in the absense of any knowledge about their program costs. The maximum projection uses the median cost per pupil for those districts for which cost estimates are available - BOCES and the Big Five. The minimum projections use only half of median costs per pupil under the assumption that the more severely handicapped children (thus the more expensive programs) are served through BOCES. Data are based on aid paid,budgeted costs and enrollments for the 1975-76 school year. In making the estimates, it was assumed that in the future, aid will be paid on the basis of current expenditures. The set of data on which the minimum projections are based is probably the more reliable.

Table 7.1

Estimated aid for handicapped children under present formula & proposed excess cost formula based on 1975-76 data

District	Minimum Estimates[a]		Maximum Estimates[b]	
	Present Aid	Excess Cost Aid	Present Aid	Excess Cost Aid
BOCES	$ 53,641,727	$ 61,544,893	$ 53,641,727	$ 61,544,893
N.Y.C.	53,059,033	76,964,115	58,135,393	112,540,930
Buffalo	5,129,234	6,934,795	5,726,789	9,033,220
Rochester	3,828,691	3,340,750	3,996,883	3,890,542
Syracuse	2,774,698	3,092,750	3,043,108	3,630,939
Yonkers	1,067,773	626,661	1,130,853	1,092,798
Other	93,974,300	103,608,640	93,974,300	143,172,610
TOTAL	$213,475,456	$256,112,604	$219,649,053	$334, 905,932

[a] Big Five projections are based upon numbers of handicapped pupils reported for Special Services Aid. The "Other" excess costs are estimated at one-half the median excess cost for BOCES under the assumption that their most severely handicapped are educated in BOCES facilities.

[b] Big Five projections are based upon numbers of handicapped pupils reported in the BEDS file. The "Other" excess costs are estimated at the median excess cost for BOCES.

Making excess cost aid available for all handicapped programs would require a relatively small seven million additional state dollars to aid those programs provided through BOCES - a 13% increase. For programs operated by local districts, the amount of new state money required is rather substantial. New York City would qualify for an increase in aid between $24 and $54 million; Buffalo $2 to $3 million; and Syracuse up to $600,000. Rochester and Yonkers would qualify for slightly smaller amounts than they do under present aid arrangements. For district operated programs other than those of the Big Five, between $10 and $50 million would be required. The total amount of state monies required to finance the proposed excess cost formula would be between $42 and $114 million of which only $7 million would be needed to support BOCES operated programs. It is impossible to move to a single formula for aiding the costs of programs for the education of children with handicapping conditions for less money <u>without</u> drastically reducing the amount of aid paid to districts presently providing such services through BOCES. The cost to the state could be substantially reduced by decreasing the percent of excess cost paid by the state in the district of average wealth (now 85%). Such a reduction would have minimal impact on the amount of aid for which property poor districts would qualify; for the property rich, however, the impact would be substantial. Even at 85%, some property rich districts subscribing to BOCES programs would lose aid compared to existing arrangements.

Reducing the 85% figure would generally yield less than BOCES aid now generates, but for most district operated programs, it would still be an attractive option up to a point.

More than anything else, these estimates show that the present aid arrangement does not treat all handicapped programs alike regardless of their location. Even with the Chapter 241 legislation, economic neutrality and equity were not achieved. BOCES operated programs still have a financial edge from the perspective of the district decision maker - especially for the severely handicapped. The most under aided district appears to be New York City followed by Buffalo. The impact of these recommendations on aid for handicapped children schooled in BOCES facilities is detailed by BOCES in Appendix D. Although it is possible for one or two high wealth districts in any BOCES to qualify for less aid, only Clinton and Suffolk I BOCES qualify for less aid overall.

There is another aspect of financing programs for children with handicapping conditions which may require additional state and local monies regardless of the formula in operation. As procedures for locating the handicapped population become more efficient, the number of children served will mount; but to what point is a matter of speculation because no one really knows just how many handicapped children there are. Estimates range widely.

School officials at both the state and local levels appear to be confident that nearly the entire population is being served at present. Yet in New York only 5.37% of the school age population is classified as handicapped compared with a national average of 6.82% (HEW, 1977). It is possible that a smaller proportion of New York's population is handicapped, but unlikely. Only Arkansas, Hawaii, Mississippi, Montana, New Hampshire, North Dakota, Vermont and Wisconsin list smaller percentages. If New York's actual proportion of handicapped population is the same as the national average, a conservative assumption, there are approximately 65,000 handicapped children yet to be identified. Other estimates of the unidentified or unserved are substantially higher. The Fleischman Commission estimated a handicapped population of 410,000 or about 150,000 more than presently being served. Applying ratios generated by the National Center for Educational Statistics (Digest of Education Statistics, 1977, p. 42) to New York State the figure becomes 318,000 or about 80,000 above those being served. Perhaps the most reliable national estimates of the handicapped population have been generated by a survey conducted by the National Center for Health Statistics (NSHS) and reported by Craig (1976, pp. 371-373). This representative sample of the population aged 6 to 17 differentiates between the incidence of handicaps at the elementary and secondary grade levels. When the NCHS ratios are

applied to New York, the estimated handicapped population exceeds 360,000 or 120,000 above that being served.

The estimated populations of handicapped children and the numbers served in 11976 are summarized in Table 7.2 by classification. Two things are striking about the table: the wide variations among the estimates and the descrepancy between all estimates and the number actually served. This strangly supports the need for a state coordinated plan for identifying and registering handicapped persons as outlined earlier. In studying the reported estimates, it should be kept in mind that only the Fleischmann estimates were generated specifically for New York State.

Occupational Programs

Occupational education is somewhat unique in the total educational system because its relationship to the general economic welfare of the community and nation has long been recognized, and because the need for coordinating its programs with employment opportunities has become an accepted part of its rationale. Since occupational education became enmeshed in the schooling process, it too has been subject to criticism and in this past decade a searching re-examination of its goals and purposes has led to a demand for a restructuring of the school

Table 7.2

Estimated incidence of school age children with handicapping conditions and numbers receiving schooling services, 1976

Handicap	Fleischmann[1]	National Center for Educational Statistics[2]	National Center for Health Statistics[3]	Number Served 1976[4]
Mentally retarded	76,167	83,588	49,663	55,679
Hearing impaired	28,439	15,921	26,513	5,462
Visually impaired	4,946	3,980	32,941	2,574
Speech impaired	173,107	159,216	14[illegible],951	103,711
Physically and multiple handicapped	28,192	7,961	10,042	30,344
Emotionally handicapped	98,918	47,765	93,562	40,046
TOTAL	409,769	318,431	36[illegible],672	237,816

1. Fleischmann (1972, Table 9.1, p. 9.9)
2. Digest of Educational Statistics (1977, Table 40, p. 42). National percentages are applied to the New York State school age population.
3. Reported in Craig (1976, Table 6, p. 332). National percentages are applied to the New York State school age population.
4. New York State Baisc Educational Data System.

system itself. To the extent that movements in occupational education do influence such change in the organization of schools, the purpose and intent of BOCES will change as well. Today, in New York State as elsewhere, the structure and practice of vocational education conflicts sharply with its envisioned goals as expressed in Regent's Position Paper No. 11 on occupational education. These matters are discussed in detail in the accompanying Occasional Paper No. 28 (Nelson, 1978), "Occupational Education in New York State: The Transition from Vocational to Career Education", and are mentioned here only as a reminder that occupational education is in a state of flux. Future developments such as career education may impact the entire school curriculum as well as the structure of its delivery system and its financing.

While anticipating that day, for the purposes of this report, the more traditional definition of occupational education used by the Regents is accepted:

> For programming purposes, we define occupational education as that part of the educational process which prepares people for employment in occupations requiring less than the baccalaureate degree. (SED, May 1971, p. 6)

As with programs for the handicapped, the development of vocational education has been strongly influenced by federal

policy starting with the Smith-Hughes Act in 1917. This initial program was instrumental in spurring the development of vocational high schools in large cities. A major state priority for federal funds generated by the Vocational Education Act (VEA) of 1963 was to provide facilities for occupational education in suburban and rural areas through area vocational schools operated by BOCES.

VEA requires a state plan for occupational education as well as annual plans for local educational agencies. Beginning in 1970, SED's Division of Occupational Education Planning required five year regional plans with annual updates (up to 1974 when the requirement was dropped). In 1975, the legislature and Commissioner's Regulations required BOCES to develop five year plans of programs and resources needed for serving the regional needs of, among other programs, occupational education. The process is particularly redundant in metropolitan areas where representatives of the same major employers and the same unions could be asked to serve on several advisory committees. The extent to which planning and coordination does take place is due principally to encouragement by SED. But to encourage is the extent of SED authority. As with programs for the handicapped, SED does not have legislative sanction to do more.

The 1971 Regents postion paper on occupational education recognized the need for coordination and planning. Among the five major concepts in their policy were:

> that New York State needs to develop a comprehensive system of occupational education serving all persons in need of occupational preparation through utilization of all available resources, public and private, which offer such preparations;
>
> that all occupational education programs be conducted within the framework of a State and regional planning process, coordinated by the State as part of its overall responsibility for education, and involving all levels of government and all agencies or groups which operate or are affected by occupational programs. (SED, May 1971, p. 17).

As with programs for the handicapped, before one can speak meaningfully about finance, one must speak about the system of planning and control. The process of coordinating occupational education is considerably simplified in that only sixty districts have been authorized to operate occupational programs at the secondary level including the forty-four BOCES, the Big Five Cities and eleven smaller districts. To reiterate what has already been recommended in Chapter VI, this list should be very carefully reviewed by the state. With the probably exception of the Big Five Cities, approval should be continued only for BOCES. Where approval is withdrawn, existing facilities and staff should be integrated into the BOCES program. Such a step by the state

would eliminate the most serious incidents of duplicated efforts at the secondary level. In metropolitan areas where there may continue to be more than one authorized agency, the state should insist on a carefully coordinated planning effort and encourage the filing of a single plan.

To advise the BOCES (or other authorized board) in the planning process and its implementation, an Occupational Advisory Council (OAC) should be appointed as at present. The plan should specify the total delivery system of services for occupational education in the region encompassed by BOCES and its component districts for a period of five years. The regional plan should also set standards of service and provide a mechanism for assuring the maintenance of those standards. A public hearing, recommendation by the OAC and approval by the authorized board (or boards) should be required before submitting the plan to the Commissioner for final approval. The payment of state aid (as proposed below) for pupils enrolled in occupational programs should be limited to only those programs included in the finally approved plan. Any deviation should involve the formal filing of an amendment which should have to pass through the same approval process as did the regional plan.

In developing the regional plan, district needs should be viewed within the context of regional needs. Most districts

would continue to offer some occupational programs especially business education and distributive education; in sparsely settled areas, however, even these might be offered by BOCES. Large cities would probably continue to operate a wide range of occupational programs including vocational high schools; however, they would be able to enroll their pupils in BOCES programs to the extent needed. The need may be far greater than commonly anticipated. While most suburban and rural youth are able to enroll in the occupational program of their choice, several cities are able to meet only a portion of the demand (Nelson, 1978). The greater flexibility of BOCES financing may permit metropolitan BOCES to expand more easily to meet the urban demand than city school districts have been able to do.

Two approaches were considered for financing the state portion of costs for occupational education programs: excess cost aid and weightings. The recommendations which follow combine elements of both approaches.

A pure excess cost approach similar to that proposed to aid programs for handicapped children was rejected because, within the present schooling framework, occupational education is an elective and program standards have not been established. For special education, the disabilities of pupils who qualify have been carefully defined by Commissioner's Regulations and

enrollment in such programs is mandated. Occupational education is open to pupils who "desire" such programs and can profit from them making it clearly a matter of pupil preference. The burden of proof as to a pupil not being able to profit from such instruction rests with the district. Since there are no state criteria for making judgements, there is likely to be considerable variation among districts as to who participates and who does not.

Again, in special education, minimum program standards have been established through Commissioner's Regulations as to class size, staffing and facilities. Beyond this, optimal programs have been defined and evaluative instruments have been developed by the Division of Education of Children with Handicapping Conditions. None of this standardization exists with reference to occupational education at either the state or the national level. Without such, in the view of the consultants, excess cost aid of the nature proposed for special education would not be a fiscally prudent policy for the state where an undesirable amount of state intervention in the local budgeting process were imposed to avoid the possibility of extravagant local programs.

Weightings on the other hand, recognize the generally higher costs of occupational programs and permit much flexibility for the local district in implementation while keeping the state's

financial commitment within reasonable bounds. But weightings must be applied to some expenditure base which is usually specified in the general aid formula and which is usually at a level below average school district expenditures for the state. A pure weighting approach thus places an excessive fiscal burden on low wealth districts and would tend to discourage them from making adequate provisions for electives in occupational education.

In the absence of program standards for assessing the reasonableness of occupational education costs, it is possible to predict such costs with a high degree of certainty. Chapter V reported that 76% (r=.87) of the variation among BOCES in their expenditures per pupil for occupational education (OEE) could be explained by the average approved operating expenditures/WADA (AOE) of component districts. An analysis of the ratios of OEE in BOCES to average AOE for component districts yielded a distribution (shown in Figure 7.1) with a median ratio of .91. The distribution of ratios is relatively compact with a standard deviation of .15. Thirty-one of the forty BOCES regions fall between .8 and 1.00. A national study by the National Educational Finance Project (Johns, 1971, p. 166) found vocational courses to be 1.81 times more expensive than other courses on a full day basis or .9 on a half day basis.

Figure 7.1

Distribution of ratios of BOCES per pupil cost for occuaptional education to average approved operating expense per pupil in weighted average daily attendance for component districts.

1.25 - 1.29	X
1.20 - 1.24	
1.15 - 1.19	X
1.10 - 1.14	
1.05 - 1.09	X X
1.00 - 1.04	X X X
.95 - .99	X X X X X X X X X X X X
.90 - .94	X X X
.85 - .89	X X X X X X X X X X
.80 - .84	X X X X X X
.75 - .79	X X X
.70 - .74	
.65 - .69	
.60 - .64	

X = one BOCES

But BOCES costs represent only a portion of the total expenditure made for an occupational education student. An analysis of home school costs for BOCES occupational students showed them to be about 75% of those for an academic student receiving all of his instruction at the home school (Swanson, 1974, p. 19). A similar conclusion was reached by Fisher, Klus, Pachino and Tobin in a study made by the Cornell Institute for Research and Development in Occupational Education (1976). In addition, present state aid policies recognize a 1.25 differential of secondary school costs over elementary school costs. Combining these factors, according to the formula presented below, suggests that an appropriate weighting for OEE applied to AOE is 1.85.

$$v = (s \times t) + u$$

where:

v = ratio of per pupil cost for occupational program to per pupil cost for elementary program
s = ratio of secondary cost per pupil to elementary cost per pupil
t = ratio of home school cost for BOCES student to home school cost for academic student
u = ratio of BOCES occupational cost per pupil to elementary cost per pupil

Comparisons of occupational education costs with elementary costs also have been computed annually for the Big Five school

districts of New York State by the Conference of Large City School Boards. For 1975 the ratios were: Buffalo, 1.68; Rochester, 1.18; Syracuse, 1.38; and Yonkers, 1.83. Figure were not available for New York City in 1975, but for 1972 it was 1.99 and for 1973, 1.84. It should be noted that these ratios are based on estimated expenditures since the Big Five (and other local districts for that matter) do not budget on a programmed basis.

Using the BOCES ratio, the excess cost weighting of programs in occupational education becomes 1.85 - 1.25 = .6.

It is recommended that the excess cost of programs in occupational education (regardless of where they are offered) be defined as .6 of the average approved operating expenditure per WADA for a BOCES region. Such an approach recognizes the greater costs of occupational programs generally and regional variations in cost factors while muting the effect of fiscal policies which deviate substantially from regional norms. Excess costs so defined, would be aided by the same excess costs formula as prepared for programs for handicapped children. A district would continue to receive general aid for pupils enrolled in programs of occupational education as at present.

Costs of occupational programs provided by BOCES should be charged to a school district on the basis of pupils enrolled and/or other conditions specified in the contract between BOCES and the district. These charges should not be included in the district's approved operating expenditures for general operating aid.

Expenses for the OAC and supporting staff, and for developing and updating the regional plan for occuptional education should be prorated among component districts according to the formula presented in Chapter VI for General Administration of Shared Services costs. These would be excluded from a district's approved operating expenditures for general aid and would be aided according to the district's excess cost aid ratio.

Because the relationship between occupational, vocational and career education is in a state of flux, this report has limited consideration to matters pertinent to the conduct of vocational education as it has been traditionally conceived and structured in New York State. However, any recommendation to aid the upgrading or expansion of vocational education in academic high schools has merit in its own right. Except for programs of business and distributive education, the dominant delivery systems for vocational training in New York State has been through area vocational centers operated by BOCES or vocational

high schools operated in urban centers. The potential of the academic high school for offering vocational preparation has hardly been tapped. The chief obstacle to using the capability which does exist, has been a conflict in educational philosophy and an artificial separation between things academic and things vocational.

This separation is primarily in tradition and in administrative structure. It does not exist in the actual processes by which students translate their school experiences to the world of work. Programs of career education are now being designed to help the student understand the relevance of academic education to his future career goals. As they progress, hopefully, a new atmosphere of coordination between academic and vocational education will appear. The student learning chemistry, physics, industrial arts, home economics, fine arts, music, English or a foreign language, is already walking the border between an academic pursuit and its application in the world of work. Both vocational and career education can be enhanced by taking such extra steps as obtaining experience in the use of that equipment employed in related occupations, and providing opportunities for work experience. Traditionally, these steps have distinguished between the academic and the vocational program; but they can also be added in the academic

high school as extensions to many programs beyond business and distributive education.

Business education courses offered in academic high schools often seem indistinguishable from the academic offerings of the school. There may be heavy expense involved for typewriters and office equipment, or store equipment in distributive education laboratories, but as a whole, there seems to be little comparison to the expenses for equipment, staff and space involved in running programs in auto mechanics, machine shop, computer technology or welding.

The problem in distinguishing between business and distributive education programs in the academic high school, and technical programs in the vocational school, rests on distinguishing between how these programs <u>are</u> operated, and how they <u>should be</u> operated in order to meet the goals in <u>any</u> program that is to be called vocational. The major difference between vocational programs operated in vocational high schools, and those offered in academic high schools, hinges on the difference in philosophy and the types of activities deemed to be necessary for vocational training. They do not necessarily hinge on the nature of the programs themselves. The typical philosphy of the academic school emphasizes scholarship and intellectual mastery. The typical philosophy of the vocational educator adds to this

hands-on experience. When a vocational program, no matter where it is offered, takes the extra steps involved in creating a bridge between school and work, extra activities and expenses are added. These extra steps include: the purchase and use of actual equipment used in the occupations for which students are being trained; the hiring of coordinators to provide cooperative work experience; and increasingly, establishing occupational youth groups to create a link for the student between his school-based program and his occupational role in the community.

In academic high schools, long accustomed to offering business and distributive education programs as slightly modified academic courses, providing additional aid via a .6 excess cost weighting is no guarantee that existing programs will be upgraded vocationally. However, to preclude any vocational aid reduces the likelihood that academic high schools will use the capability they have to provide adequate vocational offerings.

From this, it would follow that the .6 excess cost weighting proposed for students enrolled in programs operated in area centers or vocational high schools, should not be applied to students enrolled in business education and distributive education where such programs exist in academic high schools. In the absense of either an adequate cost accounting system to support actual excess costs, or a single weighting formula that

can be applied to academic schools, it is recommended that, instead, cost recovery aid be given to academic schools for selected steps taken to upgrade or expand their vocational training capability in keeping with the regional plan. Two types of actions are highly visible and suitable for reimbursement. Expenditures for vocational equipment to be used in approved programs should be reimbursed by the state according to the district's aid ratio as computed for shared services and building aid. That portion of teacher salaries allocated to cooperative work experience and job placement should be similarly reimbursed.

As with handicapped programs, rather reliable cost estimates of the occupational education recommendations can be made for BOCES, but not for the Big Five or for "Other" district operated programs. Only one cost estimate has been generated for BOCES while maximum and minimum estimates have been made for the latter two categories. These are summarized in Table 7.3. Minimum estimates for the Big Five are based on the enrollments reported for Special Services Aid. For both categories, maximum estimates are based on enrollments found in BEDS and reported by Arnold (1977). Minimum estimates for the "Other" category, are based on enrollments reported by Arnold adjusted by the ratio of enrollments reported for Special Services Aid by the Big Five to enrollments reported by Arnold for the Big Five. The set of data

Table 7.3

Estimated aid for occupational education under present formula & proposed excess cost formula based on 1975-76 data

District	Estimated Present Aid	Total Excess Cost Aid	
		Minimum Estimates[a]	Maximum Estimates[b]
BOCES	$42,712,137	$44,405,593	$44,405,593
N.Y.C.	11,227,071	29,041,800	50,571,654
Buffalo	2,945,726	2,312,049	4,002,305
Rochester	1,278,563	1,550,064	1,876,749
Syracuse	691,171	638,940	864,752
Yonkers	276,028	819,614	1,310,910
Other	- 0 -	9,961,360	16,879,700
TOTAL	$59,130,696	$88,729,420	$119,911,663

[a]Big Five estimates are based on enrollments reported for Special Services Aid. "Other" enrollments are based on figures reported by Arnold (1977) adjusted by the ratio of enrollments reported for Special Services Aid by Big Five to enrollments reported by Arnold for the Big Five.

[b]Big Five and "Other" estimates are based on enrollments reported in Arnold (1977).

on which the minimum projections are based appear to be the more reliable.

In applying the proposed limited excess cost formula to BOCES operated programs, state aid remains virtually constant overall - increasing by less than two million dollars. There is a tendency for property rich component districts to receive less aid, however, and for property poor districts to receive more. The collective impact for BOCES is reported in Appendix E. Overall, 26 BOCES areas would experience a net gain in aid and 15 would experience a net loss. A combination of low costs relative to AOE/per WADA of component districts and low property valuation causes the Erie BOCES to realize the largest gain under the proposed formula - $845,000. A combination of high costs relative to AOE/per WADA of component districts and high property valuations causes the Nassau BOCES to realize the largest loss - $1,160,000. In implementation, a temporary save-harmless provision would probably be required to prevent severe financial dislocations.

Although the total amount of state aid going to support BOCES programs is about the same under the present and proposed formulas, substantial increases go to district operated programs. This is further evidence that Chapter 241 did not fully bring about equitable treatment among types of districts. Under the

proposed formula, New York City would realize an increase in aid of between $18 and $39 million; Rochester, $300,000 to $600,000; and Yonkers, $500,000 to $1,000,000. Buffalo and Syracuse could experience small losses under the minimum estimates or gains of $1,000,000 and $170,000 respectively under the maximum estimates. Excluding business and distribution programs, not many occupational offerings are delivered outside of BOCES and the Big Five. Where such approved programs do exist, however, districts cannot help but gain state aid under the occupational education proposals because none is now available to them. "Other" districts would qualify for new aid in amounts between $10,000,000 and $17,000,000. The total amount of new state monies required would be between $29 and $60 million. It is impossible to move to a single formula for aiding the costs of occupational education for less money <u>without</u> drastically reducing the amount of aid paid to districts providing such programs through BOCES.

APPENDIX A

Persons Interviewed

Interview Guide

Persons Interviewed

STATE EDUCATION DEPARTMENT PERSONNEL

Mr. John Bishop	Chief of Bureau of School District Organization
Dr. Orlando Furno	Director of State School Finance Law Study Project
Dr. Richard G. Hehir	Director of Division of Developing Support Services of Handicapped Children
Dr. Robert Lamitie	Administrator of Educational Finance Research Service
Dr. John Murphy	Director of Elementary, Secondary and Continuing Education Field Planning Services
Dr. John W. Polley	Acting Deputy Commissioner for Elementary, Secondary and Continuing Education
Dr. Robert Seckendorf	Assistant Commissioner for Occupational and Continuing Education
Dr. Leo Soucy	Coordinator for School District Organization; Health, Education and Pupil Service

BOCES PERSONNEL

Albany/Schenectady	Dr. George W. Maybury	District Superintendent
Allegany	Dr. Charles Holowach	District Superintendent
Broome/Delaware/Toga	Dr. Leslie F. Distin	District Superintendent
Chautaugua	Mr. Philip J. LoGuidice	District Superintendent
	Mr. Chester Lajewski	Director of Occupational Education
	Mr. James Mangano	Director of Special Education
	Mrs. Audrey McCord	Business Manager
	Mr. Richard Miga	Assistant Superintendent
Clinton/Essex/Warren/ Wasking	Mr. William A. Fritz	District Superintendent
	Mr. Ted Welsh	Director of Occupational Education
	Mr. Paul Wight	Director of Special Education

Erie #1	Dr. Clifford Crooks	District Superintendent
	Mr. Pascal D. Bagar	Director of Administrative Services
	Dr. Donald Dayer	Director of Occupational Education
	Dr. John Hanssel	Director of Planning/ Instructional Services
	Dr. Champion Leczinski	Senior Planner
	Dr. Roger Reger	Director of Special Education
	Dr. Delbert Repp	Director of Computer Services
	Dr. Robert W. Sekowski	Assistant Superintendent for Instruction
Erie #2	Mr. William T. Crocoll	District Superintendent
Livingston/Steuben	Mr. James G. Womack	District Superintendent
Madison/Oneida	Dr. Andrew D. Rossetti	District Superintendent
Monroe #1	Mr. Kenneth F. Harris	District Superintendent
Nassau	Dr. William T. Callahan	District Superintendent
	Mr. Anthony Stabile	Assistant Director
Onondaga/Madison	Mr. Irving E. Henry	District Superintendent
Putnam / Westchester	Dr. Raymond A. DeFeo	Deputy Superintendent
	Dr. Bruce Bothwell	Assistant Superintendent
Rockland	Dr. Justus A. Prentice	District Superintendent
Sullivan	Mr. Rubin Pollack	District Superintendent

SCHOOL DISTRICT PERSONNEL

Belfast Central Schools	Mr. George Matola	District Principal
Berne-Knox-Westerlo Central School	Mr. Henry Brezinski	Supervising Principal
Binghamton Public School	Dr. Richard P. McLean	Superintendent

Brighton Central School	Dr. John Bennion	Superintendent
Buffalo Public Schools	Mr. Eugene Reville	Superintendent
	Mr. William Dowd	Assistant Superintendent for Instructional Services
	Mr. Robert Fritzinger	Assistant Superintendent for Vocational Education
	Mr. Dominick Liggio	Division of Mentally Retarded
Cazenovia Central School	Dr. Jerry C. Cicchelli	Superintendent
Clarence Central School	Dr. Richard W. Moomaw	Superintendent
Clarkstown Central School	Mr. Felix V. Festa	Superintendent
Dansville Central School	Mr. Jack Smith	Superintendent
Fairport Central School	Dr. William J. McPhee	Superintendent
Fredonia Central School	Dr. Rocco R. Dino	Superintendent
Hicksville Public School	Dr. Fred Hill	Superintendent
Jamestown Public School	Dr. Timothy Palmer	Superintendent
Jeffersonville-Youngsville Central School	Mr. James Brown	District Superintendent
Katonah-Lewisboro Central School	Mr. Charles T. Helmes	Superintendent
Kenmore Public School	Mr. C. Sherwood Miller	Superintendent
Monticello Central School	Mr. Robert J. Kaiser	Superintendent
New York City Public Schools	Dr. Fred Banes	Director of Planning, Evaluation and Research, Center for Career/Occupational Education
	Mr. Eli Cohen	Executive Secretary, Advisory Council on Occupational Education

	Mr. Howard Goldstein	Assistant to the Director, Division of Special Education Pupil Personnel Services
	Mr. Stanley Klein	Assistant Administrative Director for Organization and Budget Planning, Division of High Schools
	Mr. George Quarles	Chief Administrator, Center for Career/Occupational Education
	Mrs. Evalyn Zwicker	Assistant Administrative Director, Office of Budget and Personnel, Division of Special Education and Pupil Personnel Services
Niagara Falls Public Schools	Mr. Henry J. Kalfas	Superintendent
	Dr. Charles Long	Deputy Superintendent
	Dr. Frederick Knapp	Director of Vocational Education
Onondaga Central School	Mr. Curt Maxson	Superintendent
Peru Central School	Dr. Philip Bonner	Superintendent
Plattsburg Public School	Dr. Gerald Carozza	Superintendent
Rochester Public Schools	Mr. Greenberger	Special Education
	Mr. Edgar Hollwedel	Supervising Director of Career, Occupational and Continuing Education
	Mr. Calvin Lauder	Coordinator, Student Educational Services
	Mr. Richard J. Orczyk	Director, City School District Occupational Planning
Rome Public Schools	Mr. Edward Pascucci	Superintendent
South Colonie Central Schools	Mr. Raymond Gerson	Superintendent
Stockbridge Valley Central Schools	Mr. William Jones	District Superintendent

Susquehanna Valley Central Schools	Dr. Victor J. Gerhard, Jr.	Superintendent
York Central School	Mr. Stanley R. Burton	Supervising Principal

Study of Regional Services & School District Organization
Western New York Educational Service Council
State University of New York at Buffalo
Christopher Baldy Hall
Buffalo, New York 14260

INTERVIEW GUIDE

Part I
Boards of Cooperative Educational Services

1. What do you see as being the mission of BOCES?

2. Do present governance and administrative structures facilitate that (those) mission(s)?

   How do you think the governance and administrative structures can be improved?

3. Do present financial arrangements facilitate that (those) mission(s)?

   How do you think the financial arrangements can be improved?

4. Are there services which you believe BOCES should provide, but which they are not now authorized to provide?

5. Are there any services which BOCES is presently providing which you believe should be curtailed?

6. Has the structure of BOCES aid contributed to the placement of services in BOCES which should not be there?

*7. Did, or will, the state procedure (241) for financing the education of the handicapped influence district decisions on locating, staffing, and equipping such programs?

*8. Will the new federal aid program (94-142) for the handicapped influence district decisions on locating, staffing and equipping programs?

*9. Should the large cities be permitted to join contiguous BOCES, become BOCES, or should they continue to be excluded from participation? (Note rationale)

10. What problems, if any, would you anticipate in aiding BOCES services the same as operating aid?

*11. What problems, if any, would you anticipate in aiding special programs (frequently provided through BOCES) by special formulas?
Examples:
.special education
.occupational education
.gifted and enrichment

12. What is the justification, if any, for providing BOCES aid for normal operating expenditures of a school district such as:
.itinerant teacher service,
.administration and management services,
.pupil personnel services?

*13. Are there other regional services which should be financed through categorical aids such as the computer network and educational TV? By what means?

14. If BOCES services are aided through a variety of formulas, how should the administrative costs of BOCES be financed?

15. Do you find the State Educational Department functions of the District Superintendent to be compatable with the BOCES functions?

Is the present provision, whereby the state contributes to the salary of the District Superintendent, adequate compensation for services rendered to SED?

16. What long term (5 year) educational planning activities for the region are you involved in, e.g., special ed., occ. ed?

What is the involvement of component districts in this planning?

Would it be feasible to tie the delivery and financing of special educational services such as occupational education and special education to regionally developed plans for providing such services?

Part II
School District Organization

17. What do you believe the state posture should be on district reorganization?

18. Has the existence of BOCES affected the progress of school district reorganization?

19. In your opinion, what is the minimum size of school district which permits the offering of an adequate educational programs?

20. How should decisions about school district consolidation be made?

Should financial incentives be used to encourage school district consolidation?

21. Do you believe that New York State's policy of unified school districts (K-12) should be reexamined?
Possible options:
.K-8/9-12 or K-6/7-12 (regional comprehensive high schools)
.12th year occupational high schools or regional occupation high schools.

*To be asked of both BOCES related administrators and city administrators.

APPENDIX B

Selected 1975-76 Financial and Attendance Data for Districts with Weighted Average Daily Attendance (RWADA) Less Than 500

Appendix B

Selected 1975-76 Financial and Attendance Data for
Districts with Weighted Average Daily Attendance (WADA)
Less Than 500

County	District	Type of Dist. *	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV***/ RWADA
Albany	Menands	8	3	195	69	282	4567	242436
	Maplewood-Colonie	8	1	114	35	159	3431	126292
	Greene Island	3	1	171	218	466	2643	51838
Allegany	Angelica	4	76	200	211	471	2257	22617
	Whitesville	4	47	151	179	383	1901	18617
	Richburg	4	47	224	208	492	2585	17431
Cattaraugus	Limestone	2	37	168	153	362	2298	22491
Chenango	Mount Upton	4	27	200	162	414	2278	20480
	South New Berlin	4	42	261	176	487	2302	29983
Clinton	Dammemora	2	74	107	163	314	2555	31766
Delaware	Andes	4	99	136	121	292	2722	71141
	Grande George	4	36	110	113	256	2948	42224
	Roxbury	4	68	171	150	364	2890	56752
Essex	Keene	4	161	87	61	167	4512	175099

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Appendix B
(continued)

County	District	Type of Dist. *	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV***/ RWADA
Essex	Minerva	4	135	108	107	247	3641	95387
	Newcomb	4	252	113	133	285	4402	85931
	Westport	4	65	186	170	405	2952	42713
Fulton	Wheelerville	2	53	146	41	201	2453	80155
	Stratford	4	123	172	127	337	2236	40459
Hamilton	Piseco	8	0	37	12	51	4199	407325
	Indian Lake	4	265	172	191	418	2763	115065
	Inlet	8	0	43	0	45	3241	171871
	Lake Pleasant	4	195	97	46	162	4026	159528
	Long Lake	4	386	80	108	221	4084	152028
	Raquette Lake	2	0	16	0	19	0	482995
	Wells	4	269	80	126	249	3814	134115
Herkimer	Hornesville	4	65	187	169	402	2207	31888
	Henderson	4	30	128	106	263	2968	66482
Jefferson	Lyme	4	65	201	192	466	2706	40286
Madison	Brookfield	4	64	158	138	336	2097	14311
Oneida	Oriskany Falls	2	6	146	123	304	2320	15555
	Chadwicks	2	1	199	181	447	2155	17992

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Appendix B
(continued)

County	District	Type of Dist. *	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV***/ RWADA
Oneida	Sylvan Verona Beach	8	0	163	0	168	2023	30507
Orange	Tuxedo	2	17	196	158	396	4744	166260
Otsego	Gilbertsville	4	34	173	185	409	2231	27976
	Springfield	4	44	171	152	365	2276	45045
Putnam	Garrison	2	3	203	54	292	3635	90012
Rensselaer	Brunswick	8	4	167	0	176	2256	42726
	Williams	8	0	10	0	15	2969	65972
St. Lawrence	Edward	4	53	192	179	440	2534	17638
	Hammond	4	96	214	177	444	2021	36474
Saratoga	Edinburg	8	0	104	0	113	2932	103425
Schoharie	Jefferson	4	70	152	139	329	2580	48317
Seneca	Border City	8	6	104	23	135	1614	44819
Steuben	Cohocton	4	39	207	173	428	2590	25833
	Greenwood	4	51	169	144	359	2475	32921
	Troupsburg	4	58	154	171	372	2092	19647
Suffolk	South Manor	2	11	250	0	273	2520	54819
	South Haven	2	0	60	0	66	3230	61211
	Wainscott	8	0	12	0	12	3933	428432

Appendix B
(continued)

County	District	Type of Dist. *	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV***/ RWADA
Suffolk	Amagansett	8	49	75	36	126	6440	386990
	Springs	2	37	209	100	358	4335	172444
	Montauk	2	16	177	56	268	4233	331405
	Fire Island	2	0	29	0	34	26371	1706664
	Shelter Island	2	26	107	106	251	6138	371621
	Remsenburg Speonk	2	8	132	0	144	3322	179817
	Quoque	2	6	66	0	72	5745	303832
	Budgehampton	2	14	107	121	269	6087	199034
	Sagaponach	8	0	16	0	22	905	374033
	Southampton	8	11	92	38	153	4317	215249
	East Quoque	2	10	276	0	298	2341	104372
	Oysterponds	2	6	107	0	117	3723	174199
	Fishers Island	2	0	43	45	102	7829	412458
	Laurel	8	0	56	0	56	3932	167877
	New Suffolk	8	0	20	0	20	6716	242210
Sullivan	Roscoe	4	108	179	204	438	2769	68901
Warren	Bolton	4	21	188	190	450	2999	98062
	Hague	4	51	90	81	198	3472	107390
	Glens Falls	8	1	143	0	158	2103	124261

Appendix B
(continued)

County	District	Type of Dist. *	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV***/ RWADA
Washington	Putnam	4	0	74	0	75	8051	88074
Wayne	Gananda	4	0	81	15	115	8461	48363
Westchester	Pocantico Hills	4	8	257	91	397	8434	333537

*1 = City; 2 = Union Free; 3 = Independent Union Free; 4 = Central; 5 = City Central; 6 = Independent Central; 7 = Central High School; 8 = Common

**AOE = Approved Operating Expenditure

***FV/RWADA = Property full value per pupil in resident weighted average daily attendance

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APPENDIX C

Selected 1975-76 Financial and Attendance Data for Districts with Property Full Value (FV) per Resident Weighted Average Daily Attendance (RWADA) in Excess of $100,000

Appendix C

Selected 1975-76 Financial and Attendance Data for
Districts with Property Full Value (FV) per Resident
Weighted Average Daily Attendance (RWADA) in Excess of $100,000

County	District	Type of Dist.*	Sq. Mile	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV/ RWADA
Albany	Menands	8	3	195	69	282	4567	242436
	Maplewood Colonie	8	1	114	35	159	3431	126292
Delaware	Downsville	4	135	259	218	535	3195	174548
Essex	Keene	4	161	87	61	167	4512	175099
Greene	Hunter Tannersville	4	157	302	284	667	3253	134203
Hamilton	Piseco	8	0	37	12	51	4199	407325
	Indian Lake	4	265	172	191	418	2763	115065
	Inlet	8	0	43	0	45	3241	171871
	Lake Pleasant	4	195	97	46	162	4026	159528
	Long Lake	4	386	80	108	221	4084	152028
	Raquette Lake	2	0	16	0	19	0	482995
	Wells	4	269	80	126	249	3814	134115
	Webb	2	436	210	285	571	3587	154867
Nassau	Hempstead	3	3	2565	1902	5219	4738	101893

Appendix C
(continued)

County	District	Type of Dist.*	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV/ RWADA
Nassau	Garden City	3	5	1770	2515	5069	4445	105013
	Roslyn	3	5	1414	1834	3846	6201	101011
	Manhasset	3	4	1029	1236	2689	6055	145516
	Great Neck	3	14	2909	4405	8736	6321	124609
	North Shore	6	6	1207	1547	3280	4866	135953
	Locust Valley	6	14	1326	1474	3302	3846	102861
	Oyster Bay	6	13	931	1117	2432	5026	116522
Orange	Tuxedo	2	17	196	158	396	4744	166260
Oswego	Oswego City	1	57	2290	2380	5527	2681	101522
St. Lawrence	Colton-Pierrepont	4	258	276	268	617	3560	104375
Saratoga	Edenburg	8	0	104	0	113	2932	103425
Suffolk	Port Jefferson	2	7	690	1379	2538	4350	126520
	East Hampton	2	39	389	884	1554	4835	263750
	Wainscott	8	0	12	0	12	3933	428432
	Amagansett	8	49	75	36	126	6440	386990
	Springs	2	37	209	100	358	4335	172444
	Sag Harbor	2	5	249	400	781	3442	162811
	Montauk	2	16	177	56	268	4233	331405

Appendix C
(continued)

County	District	Type of Dist.*	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV/ RWADA
Suffolk	Fire Island	2	0	29	0	34	26371	1706664
	Riverhead	4	68	1965	1877	4553	3208	104524
	Shelter Island	2	26	107	106	251	6138	371621
	Remsenburg Speonk	2	8	132	0	144	3322	179817
	Westhampton Beach	2	16	402	974	1661	3398	138810
	Quoque	2	6	66	0	72	5745	303832
	Hampton Bays	2	20	680	612	1517	2856	106229
	Southampton	3	7	631	929	1859	3968	202481
	Bridgehampton	2	14	107	121	269	6087	199034
	Sagaponack	8	0	16	0	22	905	374033
	Tuckahoe	8	11	92	38	153	4317	215249
	East Quoque	2	10	276	0	298	2341	104372
	Oysterponds	2	6	107	0	117	3723	174199
	Fishers Island	2	0	43	45	102	7829	412458
	Southold	2	17	381	541	1100	4043	130751
	Mattituck-Cutchogue	2	11	498	618	1327	2814	119837
	Laurel	8	0	56	0	56	3932	167877
	New Suffolk	8	0	20	0	20	6716	242210

Appendix C
(continued)

County	District	Type of Dist.*	Sq. Miles	K-6 ADA	7-12 ADA	Total WADA	AOE**/ WADA	FV/ RWADA
Sullivan	Eldred	4	97	315	256	645	2567	103411
	Tri Valley	4	188	556	447	1130	2923	124548
Ulster	Marlboro	6	51	1002	910	2250	3254	145960
Warren	Hague	4	51	90	81	198	3472	107390
	Lake George	4	51	562	564	1278	2966	103944
	Glens Falls	8	1	143	0	158	2103	124261
Westchester	Bedford	6	53	1803	2129	4680	4664	106259
	Hendrick Hudson	4	14	1205	1438	3144	4596	180979
	Bronxville	3	0	532	707	1457	5086	114519
	Harrison	6	5	1524	1667	3783	5483	128444
	Pocantico Hills	4	8	257	91	397	8434	333537
	White Plains	1	9	3203	3522	7994	4775	120212

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237 * 1 = City; 2 = Union Free; 3 = Independent Union Free; 4 = Central; 5 = City Central; 6 = Independent Central; 7 = Central High School; 8 = Common.

** AOE = Approved Operating Expenditure.

APPENDIX D

Estimated aid by BOCES for handicapped children schooled in BOCES facilities under present formula and proposed excess formula based on 1975-76 data

Appendix D

Estimated aid by BOCES for handicapped children schooled in BOCES facilities under present formula and proposed excess formula based on 1975-76 data

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil	Handicapped Enrollment	Total Excess Cost and General Aid	Estimated Present Aid
Albany	.86	2544	569	1,785,318	1,417,676
Allegany	.94	1326	191	399,752	262,285
Broome	.92	1294	571	1,118,599	817,838
Cattaraugus	.93	1009	355	628,561	517,367
Cayuga	.94	833	280	493,903	380,562
Chautauqua	.91	1372	505	1,061,607	790,488
Clinton	.87	977	122	157,081	174,331
Cortland	.92	444	350	701,111	491,130
Delaware	.90	1418	237	466,013	378,100
Dutchess	.88	2019	593	1,305,359	1,110,209
Erie	.90	728	3404	3,804,921	2,238,216
Franklin	.91	863	229	378,550	297,913
Genesee	.93	1398	289	654,727	455,697
Greene	.87	1077	1978	593,222	496,642
Hamilton	.91	870	264	305,061	259,748
Herkimer	.93	1095	393	737,510	495,166
Jefferson	.90	115	958	918,722	944,990
Livingston	.91	1123	220	419,527	318,848

Appendix D
(continued)

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil	Handicapped Enrollment	Total Excess Cost and General Aid	Estimated Present Aid
Madison	.94	1513	171	320,602	239,603
Monroe	.89	2533	1703	4,989,940	4,253,651
Nassau	.82	4394	2980	11,023,142	10,615,929
Oneida	.90	2502	371	707,199	511,282
Onondaga	.91	1627	547	933,891	768,766
Ontario	.91	1258	595	1,511,430	1,175,377
Orange	.86	1417	381	717,933	684,938
Orleans	.93	1864	668	1,644,362	1,178,000
Oswego	.92	1269	431	750,187	592,424
Putnam	.81	2907	1323	3,700,973	3,900,379
Rensselaer	.90	1777	547	1,265,781	1,057,055
Rockland	.84	3409	668	2,395,256	2,297,539
St. Lawrence	.92	699	335	533,899	410,759
Saratoga	.92	1590	240	508,502	398,422
Schuyler	.93	629	630	771,569	531,552
Steuben	.93	1130	379	161,593	112,039
Suffolk 1	.63	3679	306	752,518	807,735
Suffolk 2	.90	3667	1421	4,637,226	4,100,955

Appendix D
(continued)

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil	Handicapped Enrollment	Total Excess Cost and General Aid	Estimated Present Aid
Suffolk 3	.88	2353	1269	4,287,655	4,064,112
Sullivan	.81	2361	148	394,813	382,800
Tompkin	.91	1221	422	914,405	654,494
Ulster	.87	1763	167	251,839	204,148
Washington	.86	1442	391	575,686	551,681
Westchester	.76	3547	678	1,864,948	2,300,781
TOTAL	N.A.	N.A.	26,320	61,544,893	53,641,727

N.A. = Not Applicable.

APPENDIX E

Estimated aid for occupational education for component districts grouped by BOCES under present formula and proposed excess cost formula based on 1975-76 data

Appendix E

Estimated aid for occupational education for component districts grouped by BOCES under present formula and proposed excess cost formula based on 1975-76 data

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil (.6 of AOE/WADA)	Occupational Enrollment	Total Excess Cost Aid	Estimated Present Aid
Albany	.86	832	1973	1,408,722	1,169,092
Allegany	.94	679	730	464,280	403,086
Broome	.92	740	1313	895,446	762,776
Cattaraugus	.93	715	1173	782,391	727,299
Cayuga	.94	731	867	592,161	543,247
Chautauqua	.91	738	1264	853,200	1,031,136
Clinton	.87	888	921	713,775	725,031
Cortland	.92	697	551	365,864	320,640
Delaware	.90	712	1068	685,656	566,808
Dutchess	.88	857	1260	947,529	838,445
Erie	.90	806	5077	3,670,671	2,825,833
Franklin	.91	699	689	368,615	366,412
Genesee	.93	684	701	445,836	496,440
Greene	.87	758	676	444,132	437,635
Hamilton	.91	830	511	339,304	368,529
Herkimer	.93	656	680	412,760	432,231
Jefferson	.90	855	1900	1,461,100	853,740
Livingston	.91	713	985	640,250	486,78[illegible]

Appendix E
(continued)

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil (.6 of AOE/WADA)	Occupational Enrollment	Total Excess Cost	Estimated Present Aid
Madison	.94	672	1088	686,528	604,359
Monroe	.89	873	2600	2,012,400	1,919,209
Nassau	.82	1254	5850	6,019,650	7,179,120
Oneida	.90	748	990	666,270	581,244
Onondaga	.91	784	1373	977,576	1,021,383
Ontario	.91	791	1653	1,188,507	925,522
Orange	.86	971	1344	1,115,520	832,230
Orleans	.93	757	1241	869,941	807,189
Oswego	.92	669	1250	770,000	846,720
Putnam	.81	1158	1651	1,556,893	1,637,848
Rensselaer	.90	825	755	560,211	763,642
Rockland	.84	1142	1346	1,286,776	1,275,238
St. Lawrence	.92	724	1273	851,637	787,250
Saratoga	.92	729	1153	772,510	737,020
Schuyler	.93	707	1200	778,400	990,600
Steuben	.93	690	1180	759,920	936,463
Suffolk 1	.63	1242	628	346,028	359,111
Suffolk 2	.90	1226	2877	2,543,268	1,914,885

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Appendix E
(continued)

Name of BOCES	Excess Cost Aid Ratio	Excess Cost per pupil (.6 of AOE/WADA)	Occupational Enrollment	Total Excess Cost	Estimated Present Aid
Suffolk 3	.88	1094	2800	2,707,600	2,844,800
Sullivan	.81	834	315	213,155	199,738
Tompkin	.91	713	596	387,996	413,340
Ulster	.87	845	816	599,760	475,443
Washington	.86	788	1025	693,925	533,276
Westchester	.76	1357	920	949,440	771,342
TOTAL	N.A.	N.A.	58,263	44,405,593	42,712,137

N.A. = Not Applicable.

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